2012-2013 ANNUAL REPORT

Building Success

"During our first sixteen years we have faced incredible challenges and reached many significant milestones. As a company we will continue to manage our resources efficiently through effective planning and with committed employees. We will also continue to seek new sources of revenue to generate long term sustainable shareholder value, making a significant contribution to a brighter future for First Nations people in Saskatchewan."

– SIGA's Strategic Plan

Corporate Overview

Saskatchewan Indian Gaming Authority is the operator of six First Nations casinos in Saskatchewan. The casinos are conveniently located across the province: Bear Claw Casino (White Bear First Nation), Dakota Dunes Casino (Whitecap Dakota First Nation), Gold Eagle Casino (Mosquito First Nation in North Battleford), Living Sky Casino (Nekaneet First Nation in Swift Current), Northern Lights Casino (Peter Ballantyne Cree Nation in Prince Albert) and Painted Hand Casino (Kahkewistahaw First Nation in Yorkton).

SIGA casinos entertain over 4 million guests annually. SIGA employs over 1,900 employees including over 1,200 First Nations employees. The entertainment company is currently ranked in Saskatchewan's top 25 companies with annual revenues over $268M and net profits over $86M.

SIGA casinos offer entertainment and excitement, including 1,870 slot machines, 52 live table games, live on stage entertainment and a full line of food and beverage services with SIGA staff providing traditional First Nations hospitality and service which is second to none.

Under the First Nations Gaming Act in 1995, the Federation of Saskatchewan Indian Nations Inc. (FSIN) created the Saskatchewan Indian Gaming Authority and since 1996, SIGA has been incorporated under The Non-Profit Corporation Act of Saskatchewan with all profits returned to its beneficiaries.

Profits generated from SIGA's operations are administered by the Province of Saskatchewan.

- 50% is shared with the First Nations Trust which is distributed to Saskatchewan First Nation communities;
- 25% is shared with regional Community Development Corporations (CDCs) which are situated in the casino locations for local initiatives. The CDCs which are independent of SIGA, distribute this money to charitable and not-for-profit community organizations.
- 25% is shared with the Provincial Government's general revenue fund.

As a responsible corporate citizen, SIGA has made a commitment to our customers, employees, stakeholders and suppliers to advocate the responsible use of its gaming products and to minimize the potential for harm.

Guiding Principles & Business Values

As a First Nations organization employing First Nations people, SIGA has adopted five principles to encourage balance, while incorporating the traditional aspects of First Nations culture. While our five guiding principles are presented here in Cree, there are parallel expressions in the Saulteaux, Dene and Lakota, Dakota and Nakota languages.

TÂPWÊWIN

The principle of Tâpwêwin advocates speaking with precision and accuracy. From a business perspective, this means SIGA must be accountable for its actions and conduct business with integrity, honour and discipline.

PIMÂCIHOWIN

Pimâcihowin stresses the importance of "making a living" and is today's realization of our First Nations' treaty relationship. The financial and operational success of SIGA provides the means to exercise a holistic approach to improving the quality of life for our people.

Vision

SIGA will deliver sustainable net income and employment opportunities to support First Nations development in Saskatchewan.

Mission

SIGA will strengthen the lives of First Nations people through employment, economic growth, positive community relations and financial self reliance. This will be done through the operation of distinctive First Nations gaming destination resorts that reflect the traditional aspects of our First Nations culture and hospitality.

MIYO-WÎCÊHTOWIN

The value of getting along with others is embodied in the word Miyo-wîcêhtowin. By conducting our business in a manner that reflects our First Nations hospitality, traditions and customs, we are able to foster good relations with our customers. Guest satisfaction is crucial to our success and our First Nations heritage is a source of competitive advantage.

MISKÂSOWIN

Miskâsowin signifies the value of finding one's sense of origin and belonging. A fundamental goal of SIGA is to bring about this sense in a positive way. This value speaks to instilling a sense of pride in ourselves and our province's First Nations heritage.

WÎTASKÊWIN

Living together on the land is the fundamental value conveyed by the word wîtaskêwin. "Sharing Success" speaks to the concept of sharing our land or, in today's terms, sharing resources. This value directs us to give back to the communities where we live and work.

Message from the FSIN

The Saskatchewan Indian Gaming Authority (SIGA) enjoyed another successful year in 2012-2013.

'Building Success' has been engrained in SIGA since its inception as a non-profit organization. SIGA has long shared its success with the First Nations people in Saskatchewan and through doing so, SIGA defines success. "Wîtaskêwin", which speaks to sharing the land or sharing resources, is one of SIGA's five guiding principles. In keeping with this principle, SIGA gives to communities in several areas: education, health, elders and youth programs. For SIGA, success built is success shared.

Job creation, economic growth and community investment initiatives define the ways in which SIGA strengthens First Nations people. Ranked as one of the largest and most successful First Nations employers, SIGA is a leader in Canada. From its humble beginnings to its tremendous success in the present day, SIGA contributes to the economic growth of the province and it is important that we continue this trend in the gaming and entertainment industry.

I acknowledge everyone at SIGA for continuing to provide our patrons with the very best in First Nations hospitality, service and entertainment. By focusing on serving our customers and careful management of our resources we have realized progressive gains in our performance. We are building success together.

It is with great pleasure that I submit the Saskatchewan Indian Gaming Authority Inc. Report ending March 31st, 2013.

Perry Bellegarde

CHIEF PERRY BELLEGARDE

Message from SIGA's Board Chair

It has been such an honour serving as the Saskatchewan Indian Gaming Authority's (SIGA) Board Chair this past year, and as part of my first year as SIGA's Board Chair it is my distinct pleasure to present the 2012-2013 Annual Report on behalf of the SIGA board.

SIGA strives to deliver sustainable net income and employment opportunities to support First Nations development in Saskatchewan. It is the positive results of these efforts that inspire the SIGA Board to continue their work.

Since opening – SIGA has generated over $600 million dollars in revenue for our beneficiaries. As a 17 year old company, this is a significant achievement – it is a sign that we are on the journey of "Building Success".

I would like to take this opportunity to recognize the significant efforts of past board member Chief Perry Bellegarde. His significant contributions to our corporate governance activities will have a positive and lasting impact. As stewards of the organization, the Board is committed to building on the past and looking into the future – shaping the strategic direction for the company.

The SIGA Board remains committed to the governance of the corporation and serving our stakeholders through organizational performance. With everyone on the SIGA Board and within the organization working toward a common goal – SIGA has achieved unprecedented success this year – with revenues of $268.5M and a profit of $86.4M for the 2012/2013 fiscal year. This represents an increase of 5.9% over the previous year's net earnings.

I offer my sincerest thanks to all of the Board of Directors, the management team, and all the SIGA employees for their continued effort to help SIGA be progressively moving forward with "Building Success" for the future of this organization, and for the First Nations people of Saskatchewan – a future that we can all be proud of.

Felix Thomas

TRIBAL CHIEF FELIX THOMAS

Message from the President & CEO

This year the Saskatchewan Indian Gaming Authority (SIGA) is looking back and acknowledging all of our successes, and using those as a way of looking forward and seeing where success is taking us. We are "Building Success" by acknowledging where we've been and who we've become as an organization.

This year we've been extremely successful as we recorded revenues of $268.5M and a profit of $86.4M for the 2012/2013 fiscal year. We attribute a particular focus on efficiency improvements and attrition as the two major contributing factors to our success this past year. This financial success is supported by many building blocks that are used in building success for our company.

Customers are a valuable piece in our effort towards building success as a premier First Nations, non-profit gaming organization. Over four million customers walked through the doors of our six casino sites this past year, and for this we are truly thankful. Our customers' continued patronage has helped SIGA take steps to fulfill its vision of strengthening the lives of First Nations people through employment, economic growth, positive community relations and financial self reliance.

Employees are a vital part in building success. We proudly employ over 1900 people at our six casino sites and central office which makes us one of Saskatchewan's largest employers. In addition we are the largest First Nation's owned employer of First Nations people in Canada with 65% of our work force identifying as First Nations. At SIGA we are proud of our history as an organization that has been very successful in developing a vibrant gaming and entertainment industry in Saskatchewan. When we reflect on our history, we can see our vision to create sustainable income and futures for SIGA employees coming alive; staff can purchase homes with pride, and support their families. Building success and sustainable futures for our employees is reflected in our Learning & Development programs where employees have the opportunity for continued learning and advancing in their career. These investments in our employees result in the distinct First Nations hospitality that is delivered on the front-lines of our company on a daily basis.

Our Board of Directors also serve as a critical support in building success. Our Board of Directors support the vision of the company as they remain focused on the governance of the corporation and serving our stakeholders through organizational performance. SIGA operates in one of Canada's most highly regulated industries; as a result SIGA has developed policies and standards consistent with industries of similar size and nature. We have been recognized, both provincially and nationally, for our operational excellence. We are very thankful to our Board of Directors for their prudent leadership, and foresight when visioning a bright future for SIGA.

We are very proud of the success we are building on our journey, and this is reflected in our identity as a non-profit organization. From the very beginning, SIGA has been committed to the guiding principle of "Wîtaskêwin" which is a Cree word that speaks to the concept of sharing the land and sharing resources. SIGA embodies this principle through its community investment initiatives which has led to millions of dollars being invested into local communities across Saskatchewan, this is on top of the 100% of gaming profits that are returned to our beneficiaries. In the 2012/2013 fiscal year SIGA proudly invested $1.3M through its "Sharing Success" initiatives – and in continuing with this commitment to share our success, SIGA will continue to build and enrich communities in Saskatchewan.

Our community investment program is part of much larger framework based on our desire to act in a socially responsible manner. We are very proud of our responsible gaming initiatives where we promote responsible gambling and being responsive to the issues of problem gambling. We make a concerted effort to provide our patrons with the resources to make informed decisions about their level of gambling. This last year has been very exciting for us as we continue to develop and raise awareness around responsible gambling. SIGA reached a significant milestone this past year where over 75% of our staff have now been trained in this area. That means our staff are committed and ready to offer tips and resources to those who seek out information and help.

SIGA has built success in the past 17 years, and we are still "Building Success". This combination of words suggests a progressive vision for our organization that allows for continued growth in the future. This kind of success is not meant to be withheld, but it is a success that needs to be shared. As SIGA continues on this path, we are committed to sharing with the First Nations and non-First Nations people of Saskatchewan. There is a bright future ahead for our organization. We are committed to that future through hard work and building a reputation that our shareholders, our patrons, and our employees can support and be proud of.

We're excited about our past and our future – we're excited about "Building Success."

Sincerely,

ZANE HANSEN
President & CEO

Operational Highlights

1,870
Slot Machines

52
Live Table Games

$125M
Economic investment in Saskatchewan reserves

65%
First Nations Employees

84%
Employee Satisfaction

SIGA operates six First Nations owned casinos in Saskatchewan. The casinos feature 1,870 slot machines; 52 live table games; a full line of food and beverage services and a live entertainment stage in each facility. In addition, the casinos provide their own unique brand of First Nations hospitality and service.

SIGA's intent with each casino is to design a modern facility that reflects the region, the people and First Nations tradition. SIGA continues to reinvest in our casinos with features that are rooted in First Nations culture and natural elements.

Capital Reinvestment

The improvements to our facilities and our focus on a number of operational enhancements have improved the entertainment experience for our customers and will provide long-term sustainable returns for our beneficiaries.

In the past number of years, SIGA has expanded its operations in such a way that by working with partners in the local communities that surround SIGA casinos, SIGA has created an unprecedented $125M in economic investment on reserves in Saskatchewan.

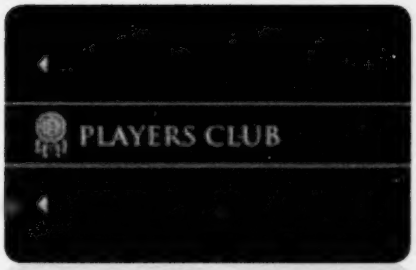
In the 2012-2013 year, SIGA executed an abundance of capital projects that included enhancements at all of our casinos improving the experience of our patrons and staff in all of our facilities. These enhancements included – flooring upgrades to staff and patron areas, installation of irrigation systems, parking lot repairs, upgrading HVAC systems (to improve air quality in smoking rooms) and many other initiatives. We are committed to investing in facility upgrades with our patrons, stakeholders, shareholders and employees kept in mind.

On an annual basis, SIGA takes the necessary steps to provide the newest product, quality food, outstanding hospitality, and service to ensure our customers are receiving outstanding entertainment value.

Building Capacity

Providing employment opportunities for First Nations people is an essential part of SIGA's mission and vision as an organization. Overall, SIGA employs approximately 1,262 First Nations people, equating to 65% of the total staffing complement. This makes SIGA the largest First Nations employer of First Nations people in the country.

Our people are our most valuable resource, and SIGA remains committed to developing our employees by investing in them through a variety of learning opportunities. SIGA Human Resources conducted over 5,000 learning events in 2012/2013. SIGA's educational training and support included items such as orientation, responsible gaming, and job-specific knowledge and skills. SIGA also provided opportunities and support to employees for future growth, with a full -time career counsellor assisting employees in developing career goals, designing an educational development plan and creating career plans. Through these and many other opportunities, SIGA remains committed to providing opportunities for our employees to develop the skills they need to succeed in the workplace now and in the future.



Players Club

This year marked the 10th anniversary of the SIGA's Players Club. In 2012, we offered an exciting mix of benefits to members that included: ten prizes of $10,000 to celebrate our milestone anniversary, monthly birthday celebrations and a newly designed Players Club card

Jackpot Parties were a huge success with almost 50,000 members qualifying for the parties. Each party included appetizers and desserts, free slot play, and multiple chances to win a share of $5,000 in cash prizes. In addition, enhanced capabilities at our Rewards Centres enabled members to participate in hundreds of draws and promotions through our convenient, self-serve kiosks.

Coinciding with our new card launch, technical upgrades at all of our casinos allowed members to conveniently redeem points at any slot machine, take advantage of electronic promotions and earn points while playing table games. All of these additions played a role in the enhanced experience we can now offer our patrons.

10 years
of Players Club

50,000
Members qualified for Jackpot Parties

150,000 (appx.)
Patrons used our transporation services

10,000
Guests visited with independent motor coach tours

Live Entertainment

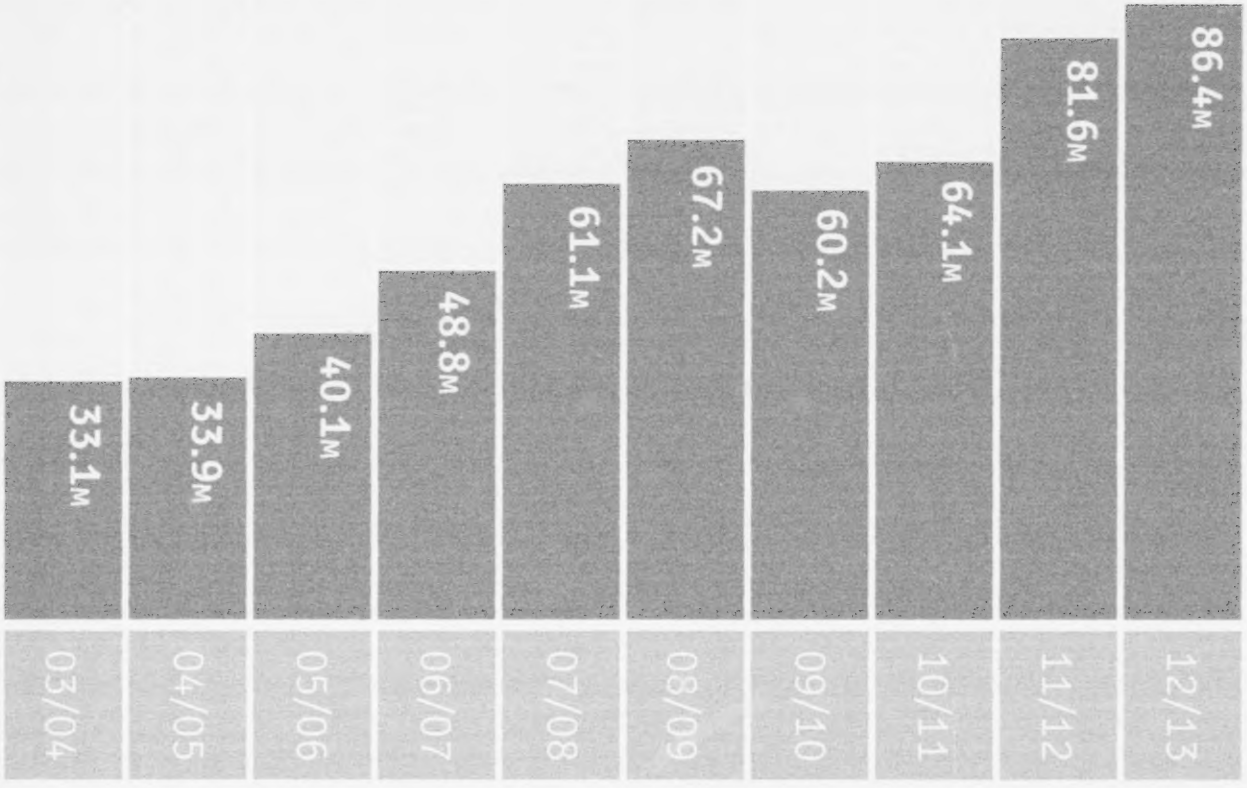
SIGA casinos strive to create an exciting atmosphere by providing live performances to both entertain our core market and attract new audiences. By leveraging the buying power of our six locations, SIGA can book multiple show dates for entertainers which in turn can reduce overall entertainment costs. Randy Travis, Terri Clark, Dean Brody and The Irish Rovers are great examples of groups that performed at more than one of our casinos. In addition, we hosted a SIGA wide VIP event at Living Sky Casino that featured, Drinkin', Singin', Swingin' – A Salute to Dean Martin, Sammy Davis Jr. & Frank Sinatra.

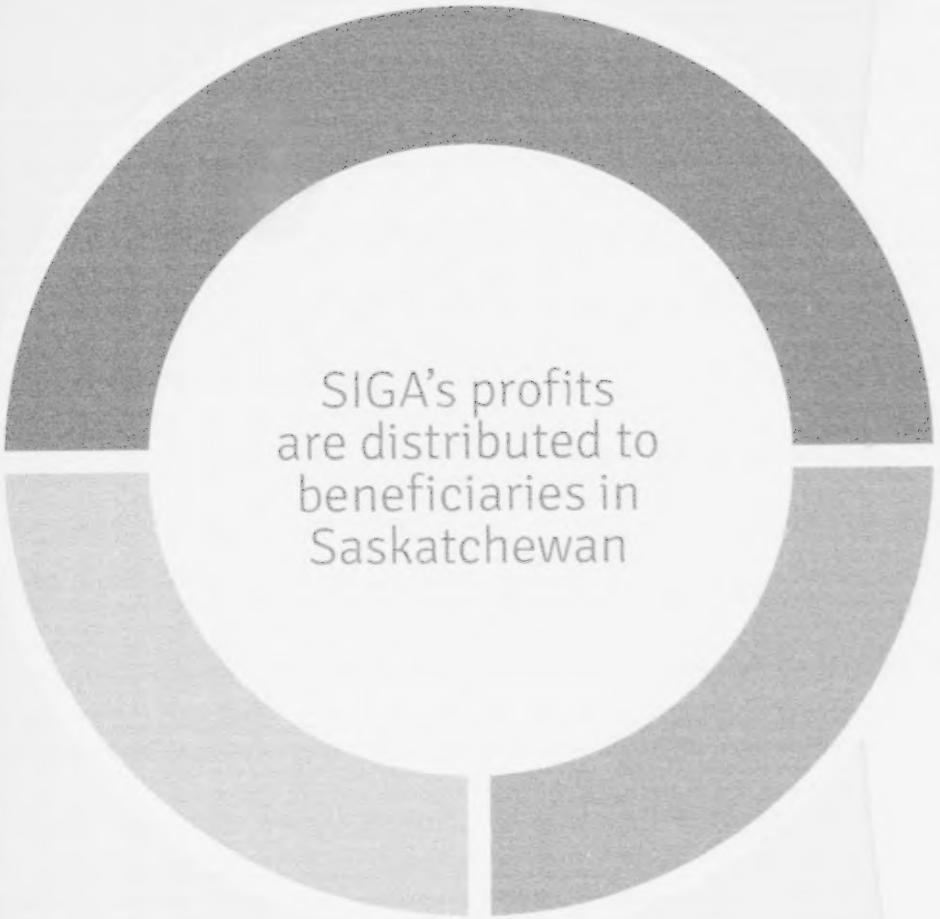
Bear Claw Casino & Hotel continued to build on the success of their inaugural dinner show program last year and hosted three dinner events during the 2012 – 2013 fiscal year. In addition, they held outdoor concerts headlined by country music legend Marty Stuart & His Fabulous Superlatives, as well as classic rockers, SWEET. Notable performances at Painted Hand Casino included the Nitty Gritty Dirt Band and an exclusive event for their VIPs that featured Randy Travis. The Sky Center, Living Sky Casino's performing arts center, played host to numerous dinner parties along with performances from Dr. Hook starring Ray Sawyer and the Stampeders. Some great events at Gold Eagle Casino included Pam Tillis and Lorrie Morgan in concert, and the Casino's long standing "Pride of the Northwest" talent competition. Northern Lights Casino continued to showcase live musical performances on Monday nights and on weekends presented dinner shows that featured performers such as Carroll Baker and Donny Parenteau. Dakota Dunes Casino celebrated their five year anniversary with country music superstar Tanya Tucker, and rounded out their music offerings with concerts like Herman's Hermits (starring Peter Noone), Kenny Shields & Streetheart, and Walter Ostanek.

Convenient Services

We take great pride in providing safe and reliable transportation services to and from our casinos. With two types of services, shuttle and line run, we can ensure that our facilities are accessible to our local markets. In total, SIGA provided nearly 150,000 patrons with free transportation to our casinos in the 2012 – 2013 fiscal year. Of these services, 144,305 patrons travelled using our shuttle services and another 5,577 took advantage of our line run, a service designed for patrons of nearby communities. In addition to these services provided by SIGA, independent motor coach tours brought in more than 10,000 guests.

Annual Profits





50%

is shared with the **First Nations Trust** which is distributed to Saskatchewan First Nation communities

25%

is shared with the **Provincial Government's** general revenue fund

25%

is shared with regional **Community Development Corporations (CDCs)** which are situated in the casino locations for local initiatives;

Community Relations & Investment

Sponsorship

At SIGA, one of our values speaks to the sharing of our land and sharing our resources. The guiding principle, Wîtaskêwin, reminds us to give back to the communities where we live and operate.

SIGA's community relations sponsorship program provides a $1.3M annual investment into charitable and non-profit based organizations in Saskatchewan. SIGA continues to make a positive impact through its investment in its targeted sectors. These sectors include education/training, health and well-being, sports and recreation, business/tourism, and arts and culture. SIGA continues to make a difference in the quality of life for the socially, physically and economically disadvantaged as well as those with special needs.

In 2012/2013, SIGA contributed to hundreds of community organizations, including Children's Hospital Foundation of Saskatchewan, Camp Circle O' Friends, Saskatchewan First Nations Summer Games, the Truth and Reconciliation Commission of Canada – Saskatchewan meetings, Indspire Awards (formerly National Aboriginal Achievement Awards), Children's Wish Foundation, Wicihitowin Foundation, Traveling Diabetes Resource Program, St. Paul's Hospital Foundation, Ronald McDonald House, Spirit of Our Nations Cultural Pow-Wow, Children's Haven, Regina Symphony Orchestra Education and Outreach Program: Piapot Project and Piapot Festival, Saskatchewan Abilities Council and many others.

Sponsorship Highlights:

CHILDREN'S HOSPITAL FOUNDATION OF SASKATCHEWAN

The Children's Hospital Foundation of Saskatchewan is the sole foundation responsible for fundraising for the new Children's Hospital of Saskatchewan. The new provincial hospital will serve children from across the province, offering leading edge healthcare equipment and technology, research programs and innovation, with a focus on family care. SIGA's sponsorship reflects the third instalment of $100,000 toward a total commitment from SIGA of $500,000 for the creation of the Ante Partum Unit at the new Children's Hospital of Saskatchewan.

This unit will provide care to women with complex obstetrical complications such as pre-term labour, unstable diabetes, hypertension, medical induction of labour and miscarriages. The new children's hospital will benefit families, mothers and children from across the province for years to come.

The Children's Hospital Foundation of Saskatchewan has existed since 1992. Their goal is to raise awareness and funds for the children's health care in our province. Saskatchewan and Prince Edward Island are the only two provinces in Canada without a designated hospital for kids. The Royal University Hospital in Saskatoon is a provincial referral centre for pediatric care and the demand for this type of care is overwhelming.

2012 SASKATCHEWAN FIRST NATIONS WINTER GAMES – BATTLEFORDS AGENCY TRIBAL CHIEFS (BATC)

The Saskatchewan 2012 First Nation Winter Games were hosted by the Battlefords Agency Tribal Chiefs.

The Games were held from April 8 to April 14, 2012 in Saskatoon, SK. The Saskatchewan First Nations Winter Games played host to 3,500 youth First Nation athletes, some of the best young athletes in Saskatchewan aged 8-17 years. In addition, 1,200 coaches, managers and chaperons, 400 volunteers, 50 Officials and approximately 4,500 proud parents and spectators attended and supported these bi-annual Winter Games.

Athletes from Saskatchewan's ten tribal councils and independent First Nation communities gathered in the name of sportsmanship and community well-being. Friendships were forged in the name of spirited competition and displays of athleticism. The athletes gathered to compete in various sporting events including hockey, volleyball and a variety of traditional games.

With our focus on youth, SIGA's sponsorship of these games enable First Nation youth to gain access to athletic competition and experience the long lasting benefits of camaraderie, teamwork, a sense of pride, and relationships that will last a lifetime. The Saskatchewan First Nations Winter Games has a unique legacy to our First Nation communities which provide a showcase of athletic, cultural and artistic skill of our youth. The Games helped develop and foster athlete's self confidence, self esteem, cultural pride and social skills. SIGA has been a supporter of the First Nations Winter Games since SIGA opened its doors in 1996.

RIDER GAME DAY

On September 23, 2012, SIGA sponsored the Saskatchewan Roughriders for the 15th annual Rider Game Day. Each year SIGA invites over 300 inner city children and youth as well as First Nations Veterans to Mosaic Stadium in Regina to watch the Rider game.

Many of these youth may not have had an opportunity to attend a Rider game and had a lot of fun showing their Rider pride. This year we also had face-painting for the youth and handed out Rider souvenirs for those in attendance. The Veterans proudly participated by carrying their flags and were honoured in a pre-game ceremony.

This event allows SIGA to participate in an event that enhances our corporate image across the province, with over 30,000 Saskatchewan fans in attendance.

FSIN/SPIRIT OF OUR NATIONS POWWOW

The 2012 'Spirit of our Nations' FSIN Cultural Celebration included a Youth Educational Symposium and Pow-wow that was held on October 22-28, 2012 in Saskatoon. For the past number of years, FSIN had hosted this event but in 2011 and 2012 the pow-wow and youth symposium was hosted by the Saskatchewan Indian Cultural Centre.

The symposium provided an educational element to the students of the Catholic and Separate School Systems in Saskatoon. It was targeted towards youth with a focus on cultural education.

The pow-wow brought thousands of dancers, drummers and singers from across North America to Saskatoon, SK and there was over 10,000 in attendance. The pow-wow provided an opportunity for people to learn more about First Nations culture and tradition. This event had a significant impact on the business and tourism sector in and around Saskatoon. SIGA has been a proud sponsor of this pow-wow for over 16 years.

TRUTH AND RECONCILIATION COMMISSION OF CANADA (TRC) – SASKATCHEWAN MEETINGS

The Truth and Reconciliation National Event took place in Saskatoon June 21-24, 2012. Its purpose was to gather statements from residential school survivors from Saskatchewan during 12 hearings that took place around the province that culminated into a final gathering in Saskatoon.

The TRC was established in 2008 as a requirement of the 2007 Indian Residential School Settlement Agreement, the largest Canadian class action settlement of its kind negotiated on behalf of former students, churches, the Government of Canada, Assembly of First Nations and other Aboriginal organizations.

The TRC was put in place to guide a process of reconciliation between Aboriginal families, communities, churches, governments and Canadians. In addition, to educate Canada about the history of Indian Residential Schools and the impacts it had on Aboriginal children who were sent there by the Canadian government.

There were seven National Events in total taking place in various cities across Canada until 2014.

SIGA'S RESPONSIBLE GAMING STRATEGY

Since its opening in 1996, SIGA has demonstrated a commitment to provide casino entertainment in a socially responsible manner. Through the procedures and practices of the responsible gaming strategy, SIGA promotes responsible gambling, and makes a concerted effort to be responsive to the issue of problem gambling in order to minimize risk and assist patrons to keep gambling enjoyable.

The objective of the SIGA Responsible Gaming Strategy is to deliver a comprehensive responsible gaming program that reflects traditional aspects of First Nations culture.

First Nation ideology and symbolism are interwoven with responsible gaming principles and practices to redesign the framework for the strategy.

SIGA's Responsible Gaming Strategy consists of four key elements: Responsible Gaming Policies and Procedures; Assisting Patrons; Game and Venue Features; and Employee Training.

Responsible Gaming Information Kiosks are located in all SIGA casinos, and Responsible Gaming training is a key component in SIGA's overall commitment to social responsibility.

SIGA is a member of the Saskatchewan Partnership for Responsible Gambling (SPRG), and has also partnershiped with support agencies at the local, provincial and national levels, such as Gamblers Anonymous, the Canadian Mental Health Association, and the Saskatoon Problem Gambling Committee.

SIGA's largest partner in the responsible gambling field is the First Nation Addiction Rehabilitation Foundation (FNARF). Through a provision in the Gaming Framework Agreement, SIGA provides $2.25 million annually to FNARF. This figure represents the largest contribution in Saskatchewan to intervention, prevention, and treatment of problem gambling.

2012 SIGA'S SCHOLARSHIP AWARDS

In November 2012, SIGA announced the recipients of the 2012 SIGA First Nation Scholarship Awards ($25,000 is available annually to First Nations students in Saskatchewan). In total, 24 First Nations students from across the province were awarded scholarships. This program is helping students to successfully achieve career goals within SIGA and the broader community.

The SIGA First Nation Scholarship Program provides incentive to First Nation individuals to pursue education and continued learning in academic areas considered to be vital to the continued success of First Nations employment in Saskatchewan. Since the programs' inception in 2009, SIGA has seen a 38% increase in qualified applicants, with a 10% increase in applicants over 2011. SIGA has awarded a total of $100,000 in scholarship funds over the past four years, with $25,000 being awarded each year.

SIGA VOLUNTEER PROGRAM

SIGA employees volunteer for many causes demonstrating SIGA's commitment to Building Success in our communities.

SIGA has continued supporting community initiatives by developing an employee owned and driven volunteer program. The program includes coordination of the Volunteer Program Advisory Committee. The program was rolled out during 2011 and 2012 to our casino sites including our Central Office. In 2012-2013, SIGA's employee participation rate was at 14% of SIGA's +1900 employees. SIGA casinos partnered with organizations like Habitat for Humanity, Salvation Army, Food Banks, Meals on Wheels and community schools.

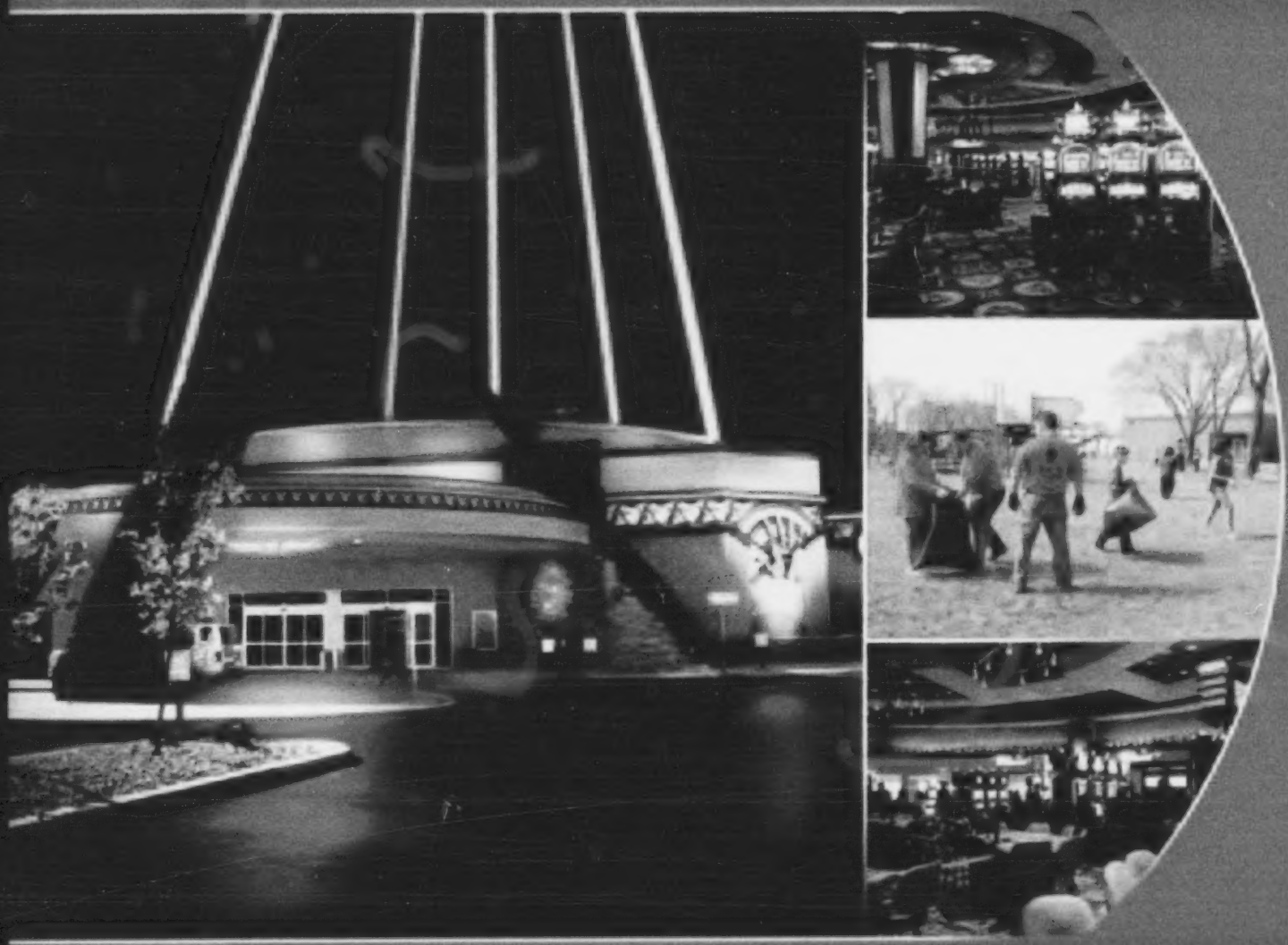
Volunteer coordinators and their committees have been working on recruitment of volunteers and are committed to working with their partner organizations. All those involved with this initiative are very excited about increasing SIGA's presence in their communities through volunteerism.

We are very proud of "Sharing Success" through our Community Investment programs.

2012 Scholarship Award Recipients

Jaris Swidrovich

Wendie Marks



Our Operations

Saskatchewan Indian Gaming Authority casinos provide exceptional entertainment value through the excitement of all the latest gaming products, in addition to a unique brand of traditional First Nations hospitality and customer service.

Visitation increased once again this year at SIGA casinos, and as a result of this and an organization-wide focus on improving efficiency and managing cost, the organization met projections in both visitor numbers and financial results. The casinos welcomed over four million guests while surpassing revenues of $260M in 2012/2013 for the sixth consecutive year. This past year, SIGA continued to reinvest in its existing properties, including expansions at Dakota Dunes and Northern Lights Casinos. These investments ensure we are offering an enjoyable facility to visit, while providing our employees with a comfortable working environment.

The six casinos located across Saskatchewan feature 1,870 slot machines, 52 live table games, a full line of food and beverage services, and a live entertainment stage in each facility. SIGA's intent with each casino is to design a modern facility that reflects the region, the people and First Nations tradition.

SIGA has built and designed casinos with features that are rooted in First Nations culture with natural elements reflecting the area where they are located. Each of our casinos is different and unique.

As a non-profit gaming and entertainment company, all profits are returned to the people of Saskatchewan. 50% of profits support First Nations communities, 25% supports local community development and 25% is returned to the Provincial Gross Revenue Fund.

The Bear Claw Name

Because it hibernates each winter, the bear is described as the dreamer of the Great Spirit, First Nations people believe that the bear is a strong spirit with healing properties and is self-sufficient, standing on its own two feet.

Bear Claw Casino & Hotel

EDWARD LITTLECHIEF, GM

White Bear First Nation

BUILDING SUCCESS

Operational Highlights:

The Bear Claw Casino & Hotel is SIGA's most historic casino. Originally opened in 1993 on the White Bear First Nation, near Carlyle, SK, it was shut down in what was a highly contentious and emotional part of history between First Nations and the provincial government regarding gaming in Saskatchewan. The casino re-opened in November 1996 and has been successfully operating ever since.

Employee Development Highlights:

Bear Claw Casino & Hotel currently employ 174 people from the local area. In the 2011-2012 fiscal year, Bear Claw Hotel and Growler's Restaurant became the centre of a pilot project that employs youth ages 16-18 in the hotel and restaurant located beside the Casino. This initiative is designed first to provide opportunities for youth in the area to receive the necessary skills to advance their educational and career opportunities and second, to fulfill our long-term recruitment strategy.

SHARING SUCCESS

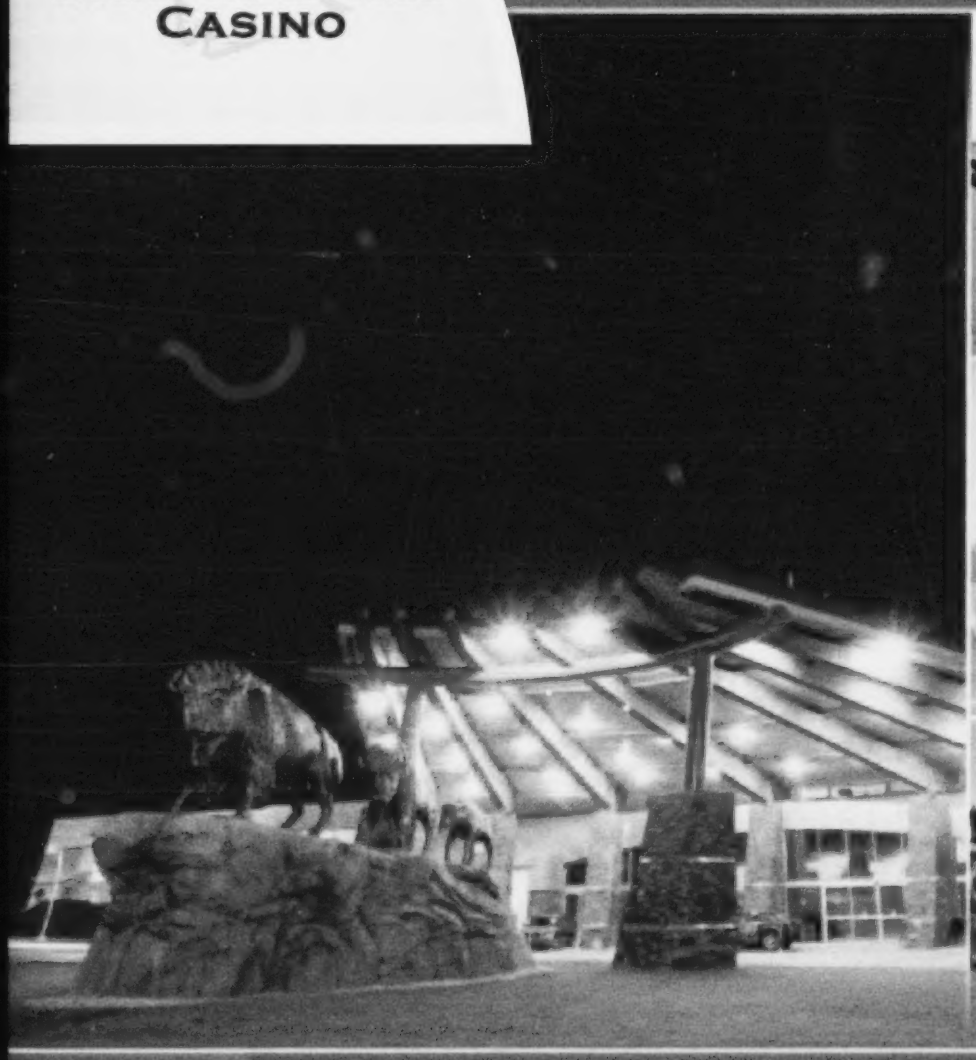
Volunteerism:

The employees at the Bear Claw Casino & Hotel remain an integral part of their community. Volunteers participated in numerous community events. The "White Bear Community Winter Wonderland" was one of the events that benefited this year. Staff assisted in food preparation, children's activities and served supper. It was their way of saying thank you to the community that they serve. The volunteer program is a way that staff can give back.

Sponsorship Highlights:

- Annual Treaty 4 Gathering 2012
- Chief Denton George Memorial
- 2013 Robin Big Eagle Memorial Hockey Cup
- Moose Mountain Pro Rodeo
- Whitebear Education Complex Inter-School Pow-wow
- Whitewood Chacachas Youth Light Horse Show and Rodeo
- Robin Big Eagle Memorial Slo Pitch Tournament
- FSIN Youth Hockey Championships
- Summer Slam Volleyball Skills Camp (Kipling & District Parks and Recreation)

Dakota Dunes Casino



The Dunes Name

The 'Dunes' reference in its name comes from its location on the reserve among the natural sand dune formations and the indigenous prairie grasses.

Dakota Dunes Casino

GARY DANIELS, GM

Whitecap Dakota First Nation

BUILDING SUCCESS

Operational Highlights:

The $60M dollar casino opened in August 2007 and boasts an 86,500 square foot entertainment facility which was recognized for its award winning design. Dakota Dunes Casino offers the excitement of 575 slot machines, 18 live table games and a Touchbet Roulette game featuring 10 stations. The casino also provides the convenience of a deli, a restaurant and a fully functional multi-purpose Tatanka Tipi room. Dakota Dunes Casino has hosted a variety of conferences and performances over the past year including Charlie Major, Randy Travis and Tanya Tucker.

Employee Development Highlights:

Dakota Dunes Casino is SIGA's largest casino employing 466 people.

Our very talented Human Resources (H.R.) and Management team continues to increase First Nation employment by creating a talented workforce, encouraging positive leadership, creating role models, and a healthy work environment. HR works in partnership with all departmental managers promoting this aspect to create a balanced and happy working culture. The total number of First Nation Employees is 333. The targeted goal was 365 for the fiscal year 2012/2013. Our managerial staff strives to fulfill their responsibilities of the overall SIGA strategic plan by promoting and encouraging the mission and vision statement.

SHARING SUCCESS

Volunteerism:

Over the past year our Volunteer Committee has taken over initiatives such as a preparing the midnight lunch for the BATC First Nations Winter Games Round Dance, another Children's Wish Foundation "Exile Island" Challenge which sent our SIGA Wish Child Shireen to meet the Disney princesses, a Winter Clothing Drive for St. Mary's School, community clean-ups and helping bring Christmas magic to those in need with the Salvation Army.

Sponsorship Highlights:

- KidSport Mini-Golf Tournament
- Easter Seals Golf Tournament
- 2012 Children's Hospital Jeans & Jewels Gala
- Child Find Saskatchewan 10th Annual Green Ribbon Gala
- 2012 Spirit of Our Nations FSIN Fall Classic
- Diva for a Day Big Brothers Big Sisters Golf Tournament
- Saskatoon Crimestoppers Denim & Diamonds
- 22nd Annual Santa Claus Parade
- 30th STC Anniversary Gala
- SICC Language Keepers Conference

The Gold Eagle Name

The Gold Eagle is symbolizing courage, strength and bravery, eagles are sacred birds of the skies and the closest to the Creator. First Nations people believe that the eagle carries their prayers to the creator.

Gold Eagle Casino

KELLY ATCHEYNUM, GM

Mosquito First Nation

BUILDING SUCCESS

Operational Highlights:

The 34,033 square feet of floor space includes a large gaming floor, featuring: 285 slot machines, 8 live table games, the Kihiw Restaurant and the casino's multi-purpose room, the Gold Ridge Centre.

The Gold Ridge Centre continues to play a major role in the casino's ongoing success, lending space for meetings, weddings, entertainment/shows, various promotions, and conferences. This venue has hosted a variety of entertainment acts over the past year including: Neal McCoy, Pam Tillis & Lorrie Morgan, Finger Eleven, Steve Earl, Prism, Charlie Major, and the Irish Rovers.

Employee Development Highlights:

Gold Eagle Casino is one of North Battleford's largest employers, employing 315 people. Gold Eagle Casino was a finalist for the Canadian Tourism Human Resource Council Award of Excellence in Human Resource Development.

The Gold Eagle Casino has implemented innovative strategies designed to increase workplace productivity. This is being done by retaining and utilizing people with the required skills and aptitude to meet current and future business needs. 1762 employees participated in 48 training events including online core training.

Projects completed include the Queens Organization Development; Project Management; Edwards School of Business; STEC Food and Beverage Certified Journeypersons; and Gaming Protection.

SHARING SUCCESS

Volunteerism:

Gold Eagle Casino employees are active volunteers in the local community.

We have various staff that assist and coach various sports. Also involved in various boards such as Saskatchewan Tourism, BUH Foundation, Rotary Club, Chamber of Commerce, Royal Canadian Air Cadets, Battlefords Legion, Victim Services, Responsible Gaming and Cornerstone Community Outreach. Our staff also volunteers with the Meals on Wheels program.

Sponsorship Highlights:

- Festival of Trees – BUH Foundation
- North Battleford Boys & Girls Club
- Battleford Indian Friendship Centre
- CPCA (Canadian Professional Chuckwagon Association)
- Battlefords Sexual Assault Centre
- Ducks Unlimited
- Bridgefest
- Remembrance Day Service
- Relay for Life
- Battlefords Dance Festival
- Northwest Territorial Days
- Children's Festival
- KCRA

Living Sky Casino

The Living Sky Name

The name 'Living Sky' relates to the northern lights and stars and their connection to past generations of First Nation ancestry.

Living Sky Casino

LIONEL TOOTOOSIS, GM

Nekaneet First Nation

BUILDING SUCCESS

Operational Highlights:

The Living Sky Casino features a circular First Nations themed gaming floor with exciting slot machines, fun table games, deli and a delicious menu in Horizons Restaurant. The casino has played host to many high quality entertainment acts in the past such as Wayne Newton, Jim Cuddy, and Terri Clark to name a few. The hub in the community is the Sky Centre utilized for banquets, weddings and conventions but also by community groups for fundraising events and its theatre set up to showcase a wide array of theatre shows: musicals, choir, and dance recitals. The sky centre is multi-purpose with full service banquet facilities and the room can be configured for most gatherings and special events.

Employee Development Highlights:

Living Sky Casino employs 200 staff members and is actively involved in employee training and development. The casino adds value and impacts the local economy.

Living Sky Casino employees garner valuable knowledge, skills, and abilities by following SIGA's Learning & Development strategies which includes core training, customer service skills, and an emphasis on career planning and leadership development.

SHARING SUCCESS

Volunteerism:

Living Sky Casino's volunteer committee has made an impact on many local organizations and charities. By donating valuable volunteer hours and building positive community relations in keeping with SIGA guiding principles.

The volunteer committee and Living Sky Casino volunteers supported the Meal on Wheels program which serves a very important role to many in the community; the Salvation Army; Dr. Noble Irwin Foundation; Canadian Mental Health Association; and Living Sky Casino Pow-wow.

Sponsorship Highlights:

The following list highlights some of the organizations and initiatives supported by Living Sky Casino's sponsorship program:

- Frontier Days (Swift Current Agricultural & Exhibition Association)
- Saskatchewan Hockey Hall of Fame
- Kiwanis Annual Golf Tournament (Swift Current Kiwanis Club)
- Long Day's Night Music Festival (Blenders: Art & Music)
- Nekaneet Pow wow (Nekaneet FN)
- Summer Chautauqua Theatre Festival (Southwest Cultural Development Group Inc.)
- United Way Golf Classic (Swift Current United Way)
- Windscape Kite Festival
- Swift Current Allied Arts Council (SCAAC)

The Northern Lights Name

Dancing and Lighting up the still evening sky with coloured brilliance, the northern lights are thought to be the spirits of past generations. They are departed relatives and friends dancing in the night, revelling in celebration.

Northern Lights Casino

RICHARD AHENAKEW, GM

Peter Ballantyne Cree Nation

BUILDING SUCCESS

Operational Highlights:

Since 1996 the Northern Lights Casino has been a primary entertainment destination in western Canada. The 46,300 square foot facility offers a large gaming floor that hosts 520 slot machines and the excitement of 11 live table games. Visitors to the casino can also experience fine dining at the casino's North Star restaurant and entertainment in the multiple award-winning Star Light lounge. Northern Lights Casino is the only venue in Canada to host weekly fiddling shows.

Employee Development Highlights:

With over 400 employees this casino is one of Prince Albert's largest employers. We are strengthening the community through community involvement as many staff are involved in giving back to the community. In addition, many of the management team sit on boards in our community.

Staff have benefited from management's emphasis on core training and mentorship programs. With initiatives such as the opportunity for staff to participate in programs like the "Expression of Interest" initiative, employees are also given an opportunity to experience other positions they may have an interest in as part of a career pathing plan.

SHARING SUCCESS

Volunteerism:

Over the past 17 years the Northern Lights Casino and their countless staff-driven volunteer efforts have made an impact for many local organizations and charities. NLC is also involved with other organizations both through sponsorships and volunteer activities, these include Bernice Sayese Center, PA Food Bank, PA Tourism, Provincial and local Chambers, Army Navy Club, Mont St. Joseph Seniors home.

Sponsorship Highlights:

- Children's Haven
- Big Brothers/Big Sisters
- PA Street Fair
- Prince Albert Exhibition
- Fine Arts Festival
- P.A. Centennial of Flight Airshow
- PAGC Northern Lights Casino Annual Golf Tournament
- Wahpeton Dakota Nations – War of 1812 – Bicentennial Pow wow Project
- Back to Batoche

The Painted Hand Name

The red painted hand represents courage and honour. To demonstrate their superiority, young warriors would charge their horses into the enemy, touching and imprinting their painted hands on the enemy or the flanks of their war ponies.

Painted Hand Casino

JONATHAN PASAP, GM

Kahkewistahaw First Nation

BUILDING SUCCESS

Operational Highlights:

This $30M, 43,000 square foot facility includes a large gaming floor with 220 slot machines and 7 live table games. The uniquely sculpted circular gaming floor includes a deli, bar lounge and the Legends Restaurant. Painted Hand is capable of hosting a wide variety of events in a multi-functioning facility known as the Parkland Room. The casino has hosted a variety of dinner shows and performances including Counting Coup Rough Stock Rodeo, Randy Travis VIP event, Business Appreciation meet and greet, Multi-business Christmas party show, Terri Clark and National Aboriginal Day Celebrations, Monthly Birthday parties and many more performances. In total PHC has had over 50 dinner shows and performances thoughout the year.

Employee Development Highlights:

We are one of Yorkton's largest employers, with over 230 local employees.

PHC celebrates employee development with over 90% of PHC employees achieving their core training in hospitality and customer service. SIGA sponsors a GED program with onsite classes taking place for PHC employees to get their Grade 12 diploma. PHC has supported employees who have taken the initiative to continue their post-secondary education by accommodating their work schedule so it does not interfere with their class schedule. By supporting employee development PHC and SIGA benefit by having knowledgeable employees who can respond confidently to customer needs.

SHARING SUCCESS

Volunteerism:

The Painted Hand Casino Volunteer Committee has made a positive impact in many local organizations and charities.

PHC has volunteered with Habitat for Humanity on two housing projects. Employees have assisted with this worthy cause by building a fence on one project and landscaping on a second project. The Volunteer Committee is also involved with the Soup Haven, which is an organization that provides a free meal to Yorkton citizens. In January 2012 PHC volunteers made and served a hot supper to over 150 people.

Sponsorship Highlights:

- Yorkton Exhibition Association
- Yorkton Film Festival
- Soup Haven
- Dreambuilders Learning Centre
- Health Foundation
- Chamber of Commerce
- Aboriginal Youth Entrepreneurship Camp
- Peepeekisis Rodeo
- Keeseekoose Chiefs JR A's Fastball team

Building Success

Creating A Better Tomorrow for Our People

Strategic Plan Overview

SIGA's strategic plan focuses on developing an intimate relationship with customers and offering products and services to those customers that increase revenue, income and employment. Utilizing the balanced scorecard methodology, SIGA has developed strategic objectives and strategic initiatives. For each strategic objective, performance measures and targets have been established for a rolling five year period. For strategic initiatives SIGA has designated a member of the executive team to act as project sponsor and milestones have been established to track the progress of the initiatives.

SIGA has developed its strategic plan utilizing the Balanced Scorecard model to look at our business from the viewpoint of owners and customers to determine what products and services we must offer and what key business processes satisfy customer needs. The model allows SIGA to demonstrate how staff are supported to meet customer needs by the organization's investments in educational programs and technology.

While the Balanced Scorecard Strategic Planning Model is very complex, it also recognizes that a strategy that cannot be clearly communicated throughout an organization will not succeed. The model resolves the conflict between a complex plan and simple communication through a tool called a strategy map. This tool is a graphical representation of the outcomes that a company must deliver to its shareholders and customers, the key business process it must excel at, and the employee skills and technologies that can be applied to complete those processes.

Shareholder Perspective

WHAT ARE THE OUTCOMES EXPECTED BY OUR OWNERS?

Strategic Objectives	Performance Indicators	Progress/Results/Measure
Optimize Net Income	Revenue	$86,456,595
	Net Income	$262,020,118
Grow & Develop First Nations Employment	Total Number of First Nations Employees	SIGA continues to be a leader in engaging, growing and developing a First Nations workforce with 64.6% of our employee base being First Nation (1239).
Support First Nations Economic Development	Total Payments to First Nation Companies	$21,754,369

Customer Perspective

WHAT ARE OUR CUSTOMERS LOOKING FOR?

Our Strategy is "customer intimacy"

Strategic Objectives	Performance Indicators	Progress
Entertainment and Hospitality Experience	Become the first choice entertainment destination for customers by offering unique entertainment options in the markets we serve.	Large segment of population rate casino as top entertainment destination in town. Visitors agree they would recommend the casinos to others. There was a high percentage of adults in local market who have visited the casino once in the last year.
Recognition and Appreciation	Value the contribution of every customer through personal interaction. Guest Satisfaction target was 39.5% of guests being extremely satisfied.	Guest satisfaction with friendliness of staff was rated very high. Guest satisfaction rated very high that they are recognized and appreciated by staff. Increased visits and increased Players Club Membership. Overall Guest Satisfaction was 47.6%.
Quality Value Priced Dining	Be recognized for providing consistent, high quality dining options that meet the expectations of each of the market segments we serve and are rated by our customers as providing exceptional value for the price charged.	Guest surveys indicate a very high satisfaction level with Quality of Food
Memorable Facilities & Convenient Services	Be recognized as the highest quality entertainment facility in each market we operate in by incorporating customer convenience into the services we provide. Guest very satisfied – Atmosphere target 47%.	Guest satisfaction with overall atmosphere rated very high at 48.5%.

Internal Perspective

WHAT SERVICES DO WE NEED TO PROVIDE TO EXCEL?

To achieve our desired outputs, SIGA will focus on several business process enhancements that are grouped in three primary themes: Customer Service Excellence, Grow and Develop the Business, and Organizational Excellence.

	Strategic Objectives	Performance Indicators	Progress
Customer Service Excellence	Tend to VIP Customers	Recognize the importance of customers with a high value through segmented pricing, promotion, and customer service standards.	65 VIP Hosted Events (dinner shows, parties, concerts, etc.) First Nations hospitality program. Increased number of VIP interactions.
	Exciting Entertainment	Create a winning atmosphere by celebrating wins and engaging customers with exciting and innovative promotions and events.	Two annual SIGA-wide events (Poker and Slot tournament). Players Club Membership has grown to over 300,000 members. Players Club visits exceeded targets. A dynamic variety of promotions and activities held at each casino.
	Know the Customer	Developing psychographic and demographic profiles of our customers will ensure that customer's wants and desires are captured, analyzed and integrated as a regular part of our decision-making process.	The new Casino Management System (CMS) implemented at all SIGA Casinos this past year will ensure more effective customer relationship management. This impacted a large number of customer interfaces.
	Customer Service Technology	Utilize technology to enhance the delivery of customer service.	Implemented new casino management system (CMS) at all casinos.
	Product Development	To research and develop gaming related products and services that will add value to our customers.	Implemented 2 pilots – Wireless ticket scanners, Wireless Rewards Center
Organizational Excellence	Corporate Social Responsibility	Promote Corporate Social Responsibilty	Met or exceeded targets for public opinion polling.
	Operational efficiency	Increasing the efficiency of key business processes to optimize productivity and income.	Met targets to reduce salaries and benefits budget by controlling variable labour.

Learning & Growth

OUR MOST IMPORTANT RESOURCE IS OUR PEOPLE

For SIGA and our strategic plan to be successful we must invest in our most important resource – our people.

Strategic Objectives	Performance Indicators	Progress
Talented workforce	Attract, retain, develop and reward talented individuals that can become integrated into high performers.	- Increased learning events by over 88% (9289 learning events) - Development and implementation of on-line core learning programs available 24/7 - 75% annual employee satisfaction rating on learning & development - Focus on delivering core training to employees: exceeded the 75% core training target - Revision of Careers section of new SIGA external website, including employee testimonials showcased on SIGA's external website - Revised compensation philosophy and program to recognize and reward individual merit and high performers - Revised performance evaluation tool (phase 1 of 3) to increase objectivity and position for recognition of individual merit
Leadership Development	Support and mentor employees within SIGA to develop the leadership competencies required by the organization to motivate and inspire teams to accomplish SIGA's vision. Create an alignment in SIGA's educational, experiential and compensation programs to recognize and reward individual skills and performance.	- 780 employees have taken SIGA's in-house leadership development program since 2011 (modules 1, 2 & 3) - 76% annual employee satisfaction rating on leadership - Employees performed 102772 TPHD hours (temporary performance of higher duties)
Engaged Workforce	Employee Satisfaction and Engagement	- Formal partnership with external health & fitness organizations - Increase in attendance and reduction in paid sick leave by over $322,000 - 84% employees are engaged or highly engaged at SIGA Main driver of employee satisfaction is "My Job" where motivation to contribute more than expected is the main driver of job satisfaction
	Employee Volunteerism	Employee volunteer participation targets exceeded Volunteer partnerships have been developed with local charitable organizations in all communities where we operate. (At least 2 per community)

Risk Management

At SIGA, business risk is defined as the degree of exposure associated with the achievement of key strategic, financial, and organizational and process objectives. Principal risks and uncertainties that could affect SIGA's future business results going forward are of primary concern.

Risk Management Governance Structure

Although the SIGA Board is ultimately accountable for overseeing risk management within the Authority as a whole, it has assigned responsibility to the Audit & Finance Committee to oversee SIGA's risk assessment and risk management processes. SIGA senior executives are responsible for ensuring key business risks are identified, defined and prioritized. Executive risk owners are engaged and charged with risk mitigation within limits established by the SIGA Board of Directors. This data is compiled in a corporate risk profile that is reported to the Audit & Finance Committee on a quarterly basis. Results of the quarterly risk and control assessment are incorporated into the strategic planning process.

There are a range of factors that may impact SIGA's results. Principal risks that could negatively affect our results and performance include:

Strategic Risks

Risk to Reputation – We recognize damage to reputation as the most severe risk SIGA faces. Our efforts to mitigate reputation risks include continual building of goodwill by effective communication with stakeholders, commitment to sustainability, transparency, leading-edge corporate governance and best practices.

Economic Slowdown – Changes in the economy impact the amount of disposable income people have to spend on entertainment, resulting in reduced gaming revenues. SIGA monitors the external environment and the individual performance of each property.

Financial Risks

Liquidity Risk – The risk that SIGA is unable to meet its financial commitments as they become due or can only do so at excessive costs. SIGA manages its cash resources based on financial forecast and anticipates cash flows.

Theft of Assets – We recognize the extreme importance of maintaining strong controls over the safeguarding of cash and cash equivalents, as specific to the gaming industry. SIGA manages these risks through the design of internal controls to mitigate such occurrences.

Organizational and Process Risks

Risk with Loss of Key Personnel – SIGA recognizes the impact to the organization if there was a loss of key personnel. In order to mitigate the impact of such a loss, executive and senior management succession plans are in place.

Information Risks – SIGA recognizes information for decision making requires accurate, complete, and timely reporting of financial and operational performance. SIGA manages these risks through continual evaluation of the internal controls over financial reporting for new and existing systems.

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Independent Auditor's Report

To the Members of the Saskatchewan Indian Gaming Authority Inc.

We have audited the accompanying financial statements of the Saskatchewan Indian Gaming Authority Inc., which comprise the statement of financial position as at March 31, 2013, and the statements of comprehensive income, changes in deficit, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Indian Gaming Authority Inc. as at March 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Accountants
June 5, 2013
Saskatoon, Saskatchewan

Statement of Financial Position
as at March 31, 2013

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	$ 62,768,500	$ 67,924,259
Short-term investments (Note 4)	252,500	252,500
Accounts receivable (Note 5)	4,944,394	6,268,523
Inventories (Note 6)	574,296	623,110
Prepaids	2,242,922	1,705,500
	70,782,612	76,773,892
INTANGIBLE ASSETS (Note 7)	275,670	741,736
PROPERTY AND EQUIPMENT (Note 8)	101,728,218	109,275,312
	$ 172,786,500	$ 186,790,940
CURRENT LIABILITIES		
Due to Saskatchewan Liquor and Gaming Authority (Note 9)	$ 54,860,290	$ 60,277,788
Accounts payable and accrued liabilities (Note 10)	15,623,514	18,166,200
Current portion of long-term debt (Note 11)	58,282,720	5,452,622
Current portion of finance lease obligation (Note 12)	1,238,360	1,043,052
	130,004,884	84,939,662
LONG-TERM DEBT (Note 11)	-	57,831,301
FINANCE LEASE OBLIGATION (Note 12)	42,781,616	44,019,977
INTEREST RATE SWAP LIABILITY (Note 11)	7,319,250	7,636,994
	180,105,750	194,427,934
DEFICIT RESULTING FROM UNREALIZED LOSSES ON INTEREST RATE SWAPS	(7,319,250)	(7,636,994)
	$ 172,786,500	$ 186,790,940

See accompanying notes to the financial statements

APPROVED BY THE BOARD

Director

Director

Saskatchewan Indian Gaming Authority Inc.

Statement of Comprehensive Income

year ended March 31, 2013

	2013	2012
Revenue (Note 14)	$ 268,567,067	$ 267,222,998
Salaries and benefits expense	77,382,994	77,077,078
Materials and consumables (Note 15)	21,697,817	21,799,061
Advertising	21,575,733	21,577,842
Slot machine reimbursement	15,065,790	17,366,964
Depreciation and amortization expenses	13,600,580	14,617,689
Building rent and occupancy	10,660,343	10,636,575
Finance costs (Note 17)	9,332,547	9,774,884
Other expenses (Note 16)	6,962,536	6,899,472
Payment to Indigenous Gaming Regulators Inc. (Note 23)	3,232,128	3,232,128
Payment to Saskatoon Prairieland Park Corporation (Note 23)	2,600,004	2,600,004
	182,110,472	185,581,697
INCOME DUE TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY (Note 1)	86,456,595	81,641,301
Unrealized gain (loss) on interest rate swaps (Note 11)	317,744	(2,489,098)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR BEFORE DISTRIBUTION TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY (Note 1)	$ 86,774,339	$ 79,152,203

See accompanying notes to the financial statements

Statement of Comprehensive Income

year ended March 31, 2013

	2013	2012
DEFICIT		
Balance, beginning of year	$ (7,636,994)	$ (5,147,896)
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1)	86,774,339	79,152,203
Distribution payable to Saskatchewan Liquor and Gaming Authority (Note 9)	(86,456,595)	(81,641,301)
Balance, end of year	$ (7,319,250)	$ (7,636,994)

See accompanying notes to the financial statements

Saskatchewan Indian Gaming Authority Inc.

Statement of Comprehensive Income

year ended March 31, 2013

	2013	2012
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Total comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority	$ 86,774,339	$ 79,152,203
Adjustments for:		
Depreciation and amortization	13,600,580	14,617,689
Finance costs	9,332,547	9,774,884
Unrealized (gain) loss on interest rate swaps	(317,744)	2,489,098
Change in non-cash working capital:		
Accounts receivable	1,324,129	(4,342,214)
Inventories	48,814	(20,517)
Prepaids	(537,422)	(108,036)
Accounts payable and accrued liabilities	(2,542,686)	(870,459)
Payments to Saskatchewan Liquor and Gaming Authority (Note 9)	(91,874,093)	(67,499,808)
	15,808,464	33,192,840
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of intangible assets	(6,503)	(2,935)
Purchase of property and equipment	(5,580,917)	(3,858,051)
Purchase of short-term investments	(252,500)	(252,500)
Proceeds on disposal of short-term investments	252,500	252,500
	(5,587,420)	(3,860,986)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(9,332,547)	(9,774,884)
Repayment of finance lease obligation	(1,043,053)	(911,801)
Repayment of long-term debt	(5,001,203)	(4,936,099)
	(15,376,803)	(15,622,784)
(DECREASE) INCREASE IN CASH POSITION	(5,155,759)	13,709,070
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	67,924,259	54,215,189
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 62,768,500	$ 67,924,259

See accompanying notes to the financial statements

1. GENERAL INFORMATION

Saskatchewan Indian Gaming Authority Inc. ("SIGA") is incorporated under the *Nonprofit Corporations Act, 1995* of Saskatchewan as a Charitable Corporation. The Federation of Saskatchewan Indian Nations ("FSIN") owns the only issued Class A Membership in SIGA. Class B Memberships in SIGA were issued to each of ten Tribal Councils in Saskatchewan that are recognized by the Saskatchewan Indian Gaming Commission of the FSIN as well as one independent member. The Government of Saskatchewan and the FSIN completed a Framework Agreement in 2002 that authorizes SIGA to operate casinos. SIGA operates six casinos in accordance with the 2002 Casino Operating Agreement ("Agreement") with Saskatchewan Liquor and Gaming Authority ("SLGA"). SLGA is responsible for the overall conduct and management of the slot machines in those casinos as required under *The Criminal Code of Canada*. Under the Agreement, SIGA is entitled to withhold the casinos' operating expenses, incurred in accordance with the operating policies and directives approved by SLGA, from slot machine revenues. SIGA is required to deposit the remainder into a trust account for SLGA in accordance with the procedures and formulas specified in the Agreement as outlined below. Under the Agreement, SIGA is entitled to recover, in any year, any net loss from the operation of licensed table games and ancillary operations from the net income earned from the operation of slot machines. The Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. The Agreement expires on June 10, 2027.

The Agreement also provides for SIGA to remit to SLGA the net income from the operation of the slot machines in the SIGA casinos. More specifically, net income from the operation of slot machines is remitted to SLGA in accordance with a formula as defined in the Agreement. This formula provides for SIGA to remit to SLGA, on a weekly basis, one-half of the amount by which actual slot machine gaming revenue exceeds one-fifty-second of SIGA's annual budget. Shortfalls in weekly slot machine gaming revenue as compared to budget are recoverable against future remittances. The remaining one-half of the amount determined above is remitted to SLGA within one-hundred and eighty days of the applicable week. Pursuant to the Agreement, if, at the end of any operating year, SIGA has not been fully reimbursed for amounts to which it is entitled for the operation of casinos, such amounts may be recovered from future operations. SIGA is allowed to retain $5,000,000 as a capital reserve for the sole purpose of acquiring capital assets.

Also, under the Agreement, SIGA has granted a first charge security interest on all its present and after acquired assets to SLGA to secure contractual obligations of SIGA under the Agreement. However, the Agreement requires that upon joint written request by SIGA and its lenders, SLGA shall postpone such security in favour of the lenders who require a prior charge relating to funds lent to SIGA for the financing of its operations carried out in accordance with the Agreement.

On June 11, 2002, the Government of Saskatchewan and the FSIN signed a gaming Framework Agreement which expires on June 10, 2027. The Government must distribute, in accordance with the provisions of the Framework Agreement, the income remitted to SLGA. Under the provisions of the 2002 Framework Agreement, the Government of Saskatchewan, as represented by the Minister responsible for SLGA, is entitled to recover its proportion of expenses that SLGA determines are not in accordance with the approved operating policies and directives from the future amounts payable to the First Nations Trust Fund.

Effective for the year ended March 31, 2008 and subsequent years, the Casino Operating Agreement between SLGA and SIGA was amended to exclude unrealized gains and losses on interest rate swaps from the calculation of net Casino profits payable to SLGA.

SIGA was incorporated under the *Nonprofit Corporations Act, 1995* and is not subject to income tax under the provision of paragraph 149(1)(l) of the Income Tax Act. SIGA pays Goods and Services Tax and Provincial Sales Tax to government agencies and claims input tax credits on its ancillary operations.

SIGA is a corporation domiciled in Canada. SIGA's head office is located at 103 Packham Avenue in Saskatoon, Saskatchewan, Canada, S7N 4K4.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements for the year ended March 31, 2013, were authorized for issue by the Board of Directors (the "Board") on June 5, 2013.

SIGA has prepared these financial statements using the historical cost basis unless otherwise noted in the significant accounting policies. These financial statements are presented in Canadian dollars, which is SIGA's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are summarized below. These accounting policies have been applied consistently to all years presented in these financial statements.

USE OF ESTIMATES, KEY JUDGMENTS AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, and disclosure of contingent assets and contingent liabilities at the date of these financial statements as well as the reported amounts of revenue and expenses during the reporting year.

Accordingly, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management estimates, judgments and assumptions are further described in the following summary of significant accounting policies and related notes:

- Useful lives and depreciation and amortization of property and equipment and intangible assets (Notes 5, 7 and 8)
- Customer loyalty program (Note 5)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand and on deposit with an original maturity of less than or equal to three months, and certain short-term investments. The short-term investments included in cash and cash equivalents are highly liquid investments with an original maturity of less than or equal to three months.

SHORT-TERM INVESTMENTS

Short-term investments include any investments that have a term of more than three months, but less than one year from the statement of financial position date.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Management evaluates collectability of receivables depending on the customer and the nature of the balance. Collectability of receivables is reviewed and the allowance for doubtful accounts is adjusted quarterly if required. Account balances are charged to comprehensive income when management determines that it is probable that the receivable will not be collected.

INVENTORIES

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is determined using the most recent cost. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets. SIGA ceases to capitalize borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

Depreciation is recorded in the accounts on a straight-line basis commencing when they are available for use, at rates expected to depreciate the cost of the assets over their estimated useful lives as follows:

Asset	Rate
Leasehold improvements	lesser of the useful life of the asset and term of the lease
Casino development	term of the lease
Furniture & equipment	4-5 years

Depreciation methods and useful lives are reviewed at each financial year end and adjusted prospectively, if appropriate.

When property and equipment are disposed of or retired, the related costs less accumulated depreciation are de-recognized. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds less costs of removal and the carrying amount of the asset. The gain or loss on asset disposals and retirements is recognized in other revenue or expenses.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost, less any accumulated amortization and accumulated impairment losses, if any. SIGA's only identifiable intangible asset is software. Software costs include the cost of externally purchased software packages and, for internally developed programs, related external and direct labour costs. Maintenance of existing software programs is expensed as incurred.

Amortization is calculated on a straight-line basis over its estimated useful life of between 1 to 5 years. The amortization method and estimated useful life is reviewed annually and any changes are applied prospectively.

LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to SIGA. All other leases are classified as operating leases.

Assets held under a finance lease are initially recognized as assets of SIGA and are recorded at their fair value at the inception of the lease, or if lower, at the present value of the future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest expense and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liabilities. The interest component is recognized in finance costs in the statement of comprehensive income.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, SIGA reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, SIGA estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units that a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

REVENUES

Gaming revenue (slot and table revenues) represent the net win from those gaming activities calculated as the difference between amounts wagered and pay-outs by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots and promotion allowances from the players club program.

Ancillary revenues include hotel, food, beverage, and concession revenue and such revenues are recognized when the goods and services are provided.

Revenues exclude the retail value of food, beverage and other promotional allowances provided on a complimentary basis to guests. The cost of providing the complimentary items is included in direct operating expenses.

COMMITMENT OF NET PROCEEDS OF TABLE OPERATIONS

Liabilities are recorded when amounts to be distributed are approved by the Board.

ALLOCATION OF EXPENSES

Table game operations

Costs allocated to table game operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross table revenue to total revenue on an individual casino site basis.

Central office costs are allocated to table game operations based on a percentage of gross table revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's table net income to all casinos' table net income before the allocation of indirect site expenses.

Slot machine operations

Costs allocated to slot machine operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross slot revenue to total revenue on an individual casino site basis.

All remaining central office costs net of table games and ancillary allocations are allocated to slot operations. These central office costs are then allocated to each casino site based on its percentage of casino slot net income net of indirect site expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ALLOCATION OF EXPENSES (CONTINUED)

Ancillary operations

Costs allocated to ancillary operations include actual direct expenses, and an allocation of indirect site expenses based on the percentage of gross ancillary revenue to total revenue on an individual casino site basis.

Central office costs are allocated to ancillary operations based on a percentage of gross ancillary revenue to total revenue. These central office costs are then allocated to each casino site based on the percentage of each casino site's ancillary net income to all casinos' ancillary net income before the allocation of indirect site expenses.

CUSTOMER LOYALTY PROGRAM

As part of its customer loyalty initiative, SIGA offers a players club program to patrons. Under the program, club members accumulate reward points based on amounts wagered on slot machines. Members can redeem their points for cash or vouchers for free or discounted goods or services. SIGA records the points earned as a reduction of gaming revenue. Accounts payable and accrued liabilities are accrued for the estimated cost of the earned points balance at the end of the period under the players club program. If the patron chooses to redeem their points for a voucher for free or discounted goods or services, the revenue is determined by the fair value of the undelivered goods and services related to a customer loyalty program and remains in accounts payable and accrued liabilities until the promotional consideration is provided.

EMPLOYEE BENEFITS

A defined contribution pension plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. SIGA's matching contributions to the defined contribution pension plan for employees are recorded as salaries and benefits expense in the statement of comprehensive income when services are rendered by employees.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to SIGA's functional currency at the exchange rate at that date. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Translation gains and losses on foreign currency denominated monetary items are taken into income in the current year.

FINANCIAL INSTRUMENTS

Classification and measurement

All financial instruments are initially measured at fair value, plus transaction costs, except in the case of financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired or issued, their characteristics and SIGA's designation of such instruments. Measurement in subsequent periods depends on whether the financial instruments have been classified as FVTPL, loans and receivables, and other liabilities. An explanation of the nature of these classifications follows. SIGA's classifications of its financial instruments are disclosed in Note 20.

Financial assets are classified as at FVTPL when the financial asset is either held-for-trading or it is designated as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Classification and measurement (continued)

A financial asset is classified as held-for-trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that SIGA manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held-for-trading may be designated as FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with SIGA's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39, *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial instruments classified as FVTPL are subsequently measured at fair value, with changes in fair value recognized in comprehensive income. The net gain or loss recognized in comprehensive income incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 20.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market that SIGA does not intend to sell immediately or in the near term. Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment. Interest income, calculated using the effective interest rate method, is recognized in comprehensive income.

Other financial liabilities include financial liabilities that have not been classified as FVTPL. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Finance costs, calculated using the effective interest rate method, are recognized in comprehensive income.

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs include fees and commissions paid to advisors, brokers and dealers. Transaction costs do not include debt premiums or discounts or financing costs. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case they are expensed as incurred. SIGA uses trade date accounting for regular way contracts when recording financial asset transactions.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Derecognition

SIGA derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by SIGA is recognized as a separate asset or liability. SIGA derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Derivative financial instruments

SIGA uses interest rate swap derivatives to manage its exposure to interest rate risk. Derivatives are initially recognized at fair value at the date that the derivative contract is entered into and subsequently measured at fair value with changes in fair value recognized through comprehensive income immediately.

Embedded derivatives

Derivatives may be embedded in other host instruments and are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not held-for-trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in the statement of comprehensive income.

As at March 31, 2013, SIGA had no contracts (March 31, 2012 – none) with embedded derivatives that are required to be valued separately.

Fair value of financial instruments

Fair values approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair values are determined, where possible, by reference to quoted bid or asking prices in an active market. In the absence of an active market, SIGA determines fair value based on internal or external valuation models, such as discounted cash flow analysis or using observable market based inputs (bid and ask price) for instruments with similar characteristics and risk profiles. SIGA's own credit risk and the credit risk of the counterparty have been taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. Fair value measurements are subjective in nature, and represent point-in-time estimates which may not reflect fair value in the future.

SIGA classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy. See Note 20 for further discussion on the classification and fair value of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Impairment of financial assets (including receivables)

A financial asset not carried at FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss in the statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Finance Costs

Finance costs comprise interest expense on borrowings not subject to capitalization, amortization of costs related to borrowings, interest on finance leases, and impairment losses recognized on financial assets.

FUTURE ACCOUNTING CHANGES

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2013, and have not been applied in preparing these financial statements. None of these new standards are expected to have a significant effect on the financial statements of SIGA, but the following future standards are relevant to SIGA:

- IFRS 9, *Financial Instruments.* IFRS 9 (2010) expands on IFRS 9 as issued in 2009. The 2010 version has a significant impact on financial liabilities designated under the fair value option. In addition, IFRS 9 (2010) retains virtually all of the classification and measurement guidance in IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 (2010) is effective for annual periods beginning on or after January 1, 2015.
- IFRS 13, *Fair Value Measurement.* IFRS 13 defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013.
- IAS 32, *Financial Instruments: Presentation.* IAS 32 provides amendments to offsetting financial assets and financial liabilities. IAS 32 is effective for annual periods beginning on or after January 1, 2014.

SIGA does not have any plans to early adopt any of the new or amended standards. The extent of the impact on adoption of these standards is not known at this time, however is not expected to be material.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of investments in guaranteed investment certificates. The $52,500 guaranteed investment certificate earns interest at an annual rate of 1% and matures on October 3, 2013. The $200,000 guaranteed investment certificate earns interest at an annual rate of 0.90% and matures on March 26, 2014.

5. ACCOUNTS RECEIVABLE

	March 31, 2013	March 31, 2012
Trade accounts receivable	$ 4,307,031	$ 5,558,358
GST input tax credits receivable	326,466	374,203
Advances to suppliers, contractors and employees	310,897	335,962
	$ 4,944,394	$ 6,268,523

SIGA's exposure to credit and currency risks, and impairment losses related to trade and other receivables, is disclosed in Note 20.

6. INVENTORIES

Inventories totalling $6,546,950 were recognized as food and beverage cost of goods sold for the year ended March 31, 2013 (2012 – $6,016,402). No write-downs of inventories were noted for the year ended March 31, 2013 (2012 – $nil), and there were no reversals of write-downs from previous years.

7. INTANGIBLE ASSETS

	Software
Cost	
Balance at March 31, 2012	$ 3,980,997
Additions	6,503
Balance at March 31, 2013	$ 3,987,500
Accumulated amortization and impairment	
Balance at March 31, 2012	$ 3,239,261
Amortization expense	472,569
Balance at March 31, 2013	$ 3,711,830
Net Book Value – March 31, 2012	$ 741,736
Net Book Value – March 31, 2013	$ 275,670

The amortization expense for software for the year ended March 31, 2013 was $472,569 (2012 – $485,887) and is included in depreciation and amortization expenses in the statement of comprehensive income. There were no write-downs of software due to impairments for the year ended March 31, 2013 (2012 – $nil).

8. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Casino Development	Furniture & Equipment	Construction in Progress	TOTAL
Cost					
Balance at March 31, 2012	$ 41,255,482	$ 102,790,852	$ 36,053,897	$ 97,822	$ 180,198,053
Additions	396,253	147,370	3,239,238	1,798,056	5,580,917
Disposals	–	–	–	–	–
Transfers	–	–	–	–	–
Balance at March 31, 2013	$ 41,651,735	$ 102,938,222	$ 39,293,135	$ 1,895,878	$ 185,778,970
Accumulated depreciation and impairment					
Balance at March 31, 2012	$ 21,175,761	$ 20,760,026	$ 28,986,954	$ –	$ 70,922,741
Depreciation expense	3,476,192	5,436,716	4,215,103	–	13,128,011
Balance at March 31, 2013	$ 24,651,953	$ 26,196,742	$ 33,202,057	$ –	$ 84,050,752
Net Book Value					
Balance at March 31, 2012	$ 20,079,721	$ 82,030,826	$ 7,066,943	$ 97,822	$ 109,275,312
Balance at March 31, 2013	$ 16,999,782	$ 76,741,480	$ 6,091,078	$ 1,895,878	$ 101,728,218

Construction in progress represents costs incurred for capital projects under construction at existing casinos and central office. Upon completion, these costs are transferred into the appropriate capital asset category.

Included in casino development above are the following assets under finance lease:

Net carrying amount of leased assets	March 31, 2013	March 31, 2012
Base Building Costs		
- Painted Hand Casino	$ 7,821,387	$ 10,027,397
- Living Sky Casino	13,157,013	15,870,340
- Dakota Dunes Casino	12,729,585	13,149,606
	$ 33,707,985	$ 39,047,343

9. DUE TO SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

	March 31, 2013	March 31, 2012
Balance, beginning of year	$ 60,277,788	$ 46,136,295
Income due to Saskatchewan Liquor and Gaming Authority	86,456,595	81,641,301
Payments to Saskatchewan Liquor and Gaming Authority	(91,874,093)	(67,499,808)
	$ 54,860,290	$ 60,277,788

As described in Note 1, SIGA is required to remit to Saskatchewan Liquor and Gaming Authority ("SLGA") the net income from the operation of the slot machines in accordance with a formula as defined in the Agreement. According to the Agreement, unrealized gains and losses on interest rate swaps are excluded from the calculation of net casino profits payable to SLGA.

Included in the above balance of the due to SLGA is the $5,000,000 that has been retained as a capital reserve as disclosed in Note 1.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

SIGA is required to pay SLGA an amount equivalent to the imputed Goods and Services Tax ("GST") that is payable by SLGA on gaming expenses incurred by SIGA related to its slot machine operations. Included in accounts payable and accrued liabilities are amounts owing to SLGA for GST of $358,189 (2012 – $379,690). Also, $1,580,375 (2012 – $4,078,076) is due to SLGA for slot machine and operating system reimbursement and is included in accounts payable and accrued liabilities.

11. LONG-TERM DEBT

CASINO PROJECTS FINANCING

In 2007, SIGA entered into a long-term financing agreement with a financial institution ("Bank") for $79 million to finance all of its casino projects. The Bank syndicated this financing with a secondary lender to provide SIGA with $20 million. The Bank, as the lead lender, provided SIGA with the remaining $59 million.

SIGA has drawn on the remaining approved financing to complete the construction of its casinos.

The long-term financing agreement is secured by a general security agreement and mortgage of leasehold interests of SIGA's casinos.

The long-term debt obligations are as follows:

	March 31, 2013	March 31, 2012
Construction Facility Tranche B		
repayable in monthly instalments of $117,762 plus interest at bankers acceptance rate		
plus 1%, maturity September 2013.	$ 16,251,248	$ 17,664,392
Construction Facility Tranche C		
repayable in monthly instalments of $88,889 plus interest at bankers acceptance rate		
plus 1%, maturity September 2013.	12,266,662	13,333,330
Term Loan Tranche D – Fixed Rate		
repayable in monthly instalments of $165,355 including interest at 5.68%, maturity April 2013.	15,226,317	16,294,190
Term Loan Tranche D – Floating Rate		
repayable in monthly instalments of $116,667 plus interest at bankers acceptance rate		
plus 1%, maturity April 2013.	14,116,666	15,516,667
Term Loan Tranche A – Fixed Rate		
repayable in monthly instalments of $4,460 plus interest at 2.50%, maturity September 2013.	421,827	475,344
	58,282,720	63,283,923
Less current portion	(58,282,720)	(5,452,622)
	$ –	$ 57,831,301

Principal repayments required for the above loans, based on maturity dates, are as follows:

2014	$ 58,282,720

These facilities were renegotiated subsequent to year-end at similar terms, and the revised principal repayments are as follows:

2014	$ 5,075,329
2015	5,456,329
2016	5,455,329
2017	5,456,329
2018	5,455,329
2019 and subsequent	31,384,075

Due to the uncertainty surrounding the terms that would currently be available for debt of similar terms and maturities, fair value information has not been disclosed as fair value cannot be reliably measured.

11. LONG-TERM DEBT (CONTINUED)

CASINO PROJECTS FINANCING (CONTINUED)

In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects on December 12, 2007. These arrangements fixed the interest rates for the loan for each construction project at 4.94%, 5.09% and 5.09% respectively over the term of the loans. These swap terms are March 2023, August 2024, and August 2024 respectively. The interest rate swap arrangements came into effect for the Dakota Dunes construction project on April 1, 2008 and came into effect for the Living Sky and Painted Hand construction projects on April 1, 2009. A new swap was entered in the year related to Dakota Dunes on March 22, 2013. This arrangement fixed the interest rate for the loan at 2.08% over the term of the loan. This swap term is March 2023. A liability of $7,319,250 has been recorded at March 31, 2013 (2012 – $7,636,994), representing the fair value of the instruments. Changes to the fair value are recorded as an unrealized gain or loss in the current period. The notional amount of the interest rate swaps at March 31, 2013, were $14,116,667 for Dakota Dunes, $16,251,248 for Living Sky, $12,266,662 for Painted Hand, and $15,317,843 for Dakota Dunes.

SIGA has established an unsecured $2,000,000 line of credit with a financial institution. Interest is charged on the line of credit at the financial institution's prime rate plus 1%. At March 31, 2013, no amount is owing on the line of credit (2012 – $nil).

12. FINANCE LEASE OBLIGATION

On December 23, 2004, SIGA entered into an agreement with STC Casino Holdings Limited Partnership, a related party, for lease of Dakota Dunes Casino on Whitecap Dakota First Nation. Beginning in April 2007, SIGA leased the property from that Partnership for approximately 20 years at an annual cost of $2,248,477. In 2011, there was an addition to this capital lease, for approximately 16 years, at an annual cost of $380,969. In 2012, there was a further addition to this lease for approximately 15 years, at an annual cost of $60,571.

On October 26, 2005, SIGA entered into an agreement with PHC Holdings Limited Partnership, a related party for lease of Painted Hand Casino in Yorkton. Beginning in February 2009, SIGA leased the property from that Partnership for approximately 19 years at an annual cost of $1,646,400.

On January 26, 2006, SIGA entered into an agreement with FHQ Casino Holdings Limited Partnership, a related party, for lease of Living Sky Casino in Swift Current. Beginning in December 2008, SIGA leased the property from the Partnership for approximately 19 years at an annual cost of $2,195,200.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 11.30% to 13.72% (2012 – 11.30% to 13.72%) per annum.

The minimum lease payments under the finance lease obligation are as follows:

	March 31, 2013	March 31, 2012
Total future minimum lease payments	$ 94,386,463	$ 100,918,080
Less future finance charges on finance leases	(50,366,487)	(55,855,051)
Present value of finance lease obligation	44,019,976	45,063,029
Less current portion of finance lease obligation	(1,238,360)	(1,043,052)
Finance lease obligation	$ 42,781,616	$ 44,019,977

As at March 31, 2013, scheduled future minimum lease payments of the finance lease obligation are as follows:

	1 year	1-5 years	More than 5 years
Future minimum lease payments	$ 6,531,617	$ 26,126,469	$ 61,728,377
Present value of finance lease obligation	6,178,984	18,486,714	20,240,738

Due to the related party nature of the finance lease obligation, fair value information has not been disclosed as fair value cannot be reliably measured.

13. UNCOMMITTED NET PROCEEDS OF TABLE OPERATIONS

The Casino Operating Agreement provides for SIGA to use any net income from the operation of licensed table games for charitable or religious objects or purposes. Distributions of funds were made during the year as follows:

	March 31, 2013	March 31, 2012
Balance, beginning of year	$ -	$ -
Net loss from table operations (Note 22)	(3,021,380)	(3,031,979)
	(3,021,380)	(3,031,979)
Net loss from table operations allocated to slot operations	3,021,380	3,031,979
Amounts disbursed	-	-
Balance, end of year	$ -	$ -

14. REVENUE

	March 31, 2013	March 31, 2012
Gaming	$ 246,984,162	$ 244,162,453
Ancillary	21,582,905	23,060,545
	$ 268,567,067	$ 267,222,998

15. MATERIALS AND CONSUMABLES

	March 31, 2013	March 31, 2012
Food and beverage cost of goods sold	$ 6,546,950	$ 6,016,402
Imputed goods and services tax	4,302,707	4,430,378
Building repairs and maintenance	2,078,946	2,130,654
Consulting	1,424,885	1,894,786
Staff benefits and recruitment	1,281,352	1,012,940
Insurance	1,178,694	1,074,985
Accounting and internal audit services	990,346	1,631,189
Software licenses and agreements	953,688	609,343
Postage and stationary	845,521	637,676
Telephone	541,044	375,734
Board renumeration and travel	442,067	596,883
Miscellaneous	383,812	408,459
Bank charges	290,252	209,803
Legal	289,934	570,195
Dues and subscriptions	147,619	199,634
	$ 21,697,817	$ 21,799,061

16. OTHER EXPENSES

	March 31, 2013	March 31, 2012
Other	$ 1,620,534	$ 1,669,364
Departmental supplies	1,290,262	1,058,327
Travel and sustenance	1,088,643	743,500
Uniforms and laundering	781,361	826,120
Staff training	659,538	510,432
Equipment lease	541,987	689,718
Equipment repairs	526,220	366,055
Printing	453,991	1,036,158
	$ 6,962,536	$ 6,899,472

17. FINANCE COSTS

	March 31, 2013	March 31, 2012
Interest on long-term debt	$ 3,843,982	$ 4,165,164
Interest on finance lease obligations	5,488,565	5,609,720
	$ 9,332,547	$ 9,774,884

The weighted average capitalization rate on funds borrowed generally is 6.58% per annum (2012 - 6.58 % per annum).

18. EMPLOYEE BENEFITS

Effective April 1, 1997, SIGA established a pension plan for employees. The plan is a defined contribution plan administered by Great West Life. Substantially all of SIGA's full-time employees participate in the plan. SIGA's financial obligation is limited to matching the required amounts contributed by employees, 6% of salary, which totalled $3,622,657 in fiscal 2013 (2012 - $3,620,339).

19. CAPITAL DISCLOSURES

SIGA's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of the Corporation.

SIGA funds its capital requirements through the $5,000,000 capital reserve from SLGA, internal operating activities and debt. SIGA also has an available line of credit of $2,000,000 at a financial institution (Note 11).

SIGA limits the amount of risk in proportion to its capital. The initial financing option of the Dakota Dunes, Living Sky, and Painted Hand casino projects ("casino projects") was limited to variable rate loans. SIGA entered into four interest rate swap agreements to exchange the variable rate debt instruments to fixed rate loans to mitigate fluctuations in interest rates. SIGA also performs environmental scanning to determine if any factors have the potential to change the capital structure of the organization. Risk management reports are presented to the Audit and Finance Committee and Board of Directors on a quarterly basis.

19. CAPITAL DISCLOSURES (CONTINUED)

SIGA entered into a credit agreement with financial institutions in order to obtain financing for the casino projects. The agreement identified five financial covenants which are reported on a quarterly basis to the financial institutions. SIGA monitors its capital structure using these covenants. The financial covenants are as follows:

(a) The senior fund debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio shall be less than or equal to 2.0:1.0 for each fiscal quarter;

(b) The interest coverage ratio shall not be less than 5.0:1.0;

(c) The total debt service coverage ratio shall not be less than 2.0:1.0;

(d) The fixed charge coverage ratio shall not be less than 1.0:1.0; and

(e) The earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR") coverage ratio shall not be less than 2.0:1.0.

Ratios at year-end were 0.64, 9.77, 5.97, 1.0, and 4.87 respectively. In all instances during the year ended March 31, 2013 (and March 31, 2012), SIGA was in compliance with the above covenants.

20. FINANCIAL RISK MANAGEMENT

SIGA, through its financial assets and liabilities, has exposure to a number of risks from its use of financial instruments. The following analysis provides a measurement of these risks as at March 31, 2013:

RISK MANAGEMENT

The Board has overall responsibility for the establishment and oversight of SIGA's risk management framework and is responsible for developing and monitoring SIGA's risk management policies.

SIGA's risk management policies are established to identify and analyze the risks faced by SIGA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and SIGA's activities.

SIGA's Board oversees how management monitors compliance with SIGA's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by SIGA. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

CREDIT RISK

SIGA's principal financial assets are cash and cash equivalents, short-term investments, and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent SIGA's maximum credit exposure at the statement of financial position date.

SIGA does not extend credit to its gaming customers. Credit risk is limited to its accounts receivable balance which consists primarily of credit extended to business entities for business functions held at the various casino locations. The credit risk on cash and cash equivalents and short-term investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies. Credit risk is not considered significant.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

The following reflects an aging summary of SIGA's trade accounts receivable balances:

	March 31, 2013	March 31, 2012
Current	$ 4,264,720	$ 5,507,746
30-59 days	5,153	14,091
60-89 days	–	–
90 days and greater	37,158	36,521
	4,307,031	5,558,358
Allowance for doubtful accounts	–	–
	$ 4,307,031	$ 5,558,358

The allowance for doubtful accounts is reviewed quarterly based on an estimate of outstanding amounts that are considered uncollectible. Historically, SIGA has not written off a significant portion of its trade accounts receivable balances.

INTEREST RATE RISK

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. In order to manage its interest rate risk exposure, SIGA entered into separate interest rate swap arrangements for the Dakota Dunes, Living Sky and Painted Hand construction projects on December 12, 2007. SIGA entered a separate interest rate swap arrangement for Dakota Dunes on March 22, 2013. These arrangements fixed the interest rates for the loan for each construction project at 4.94%, 5.09%, 5.09% and 2.08% respectively over the term of the loans.

At March 31, 2013, if interest rates at that date had been 100 basis points lower with all other variables held constant, total comprehensive income for the year before distribution to SIGA would have been $2,384,661 (2012 - $2,771,694) lower, arising mainly as a result of higher unrealized losses on interest rate swaps, partially offset by lower interest expense on variable borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, total comprehensive income for the year before distribution to SIGA would have been $2,384,661 (2012 - $2,771,694) higher, arising mainly as a result of lower unrealized losses on interest rate swaps, partially offset by higher interest expense on variable borrowings.

FOREIGN EXCHANGE RISK

SIGA faces exposure to the U.S./Canadian dollar exchange rate through the purchase of goods and services payable in U.S. dollars. The risk is not considered significant.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK

Liquidity risk is the risk that SIGA is unable to meet its financial commitments as they become due or can only do so at excessive cost. SIGA manages its cash resources based on financial forecasts and anticipated cash flows. The following summarizes the contractual maturities of SIGA's financial liabilities based on undiscounted payments:

2013		Contractual cash flows			
Financial Liabilities	Carrying Amount	0 - 12 months	1 - 2 years	3 - 5 years	More than 5 years	Total
Due to SLGA	$ 54,860,290	$ 54,860,290	$ –	$ –	$ –	$ 54,860,290
Accounts payable and accrued liabilities	15,623,514	15,623,514	–	–	–	15,623,514
Long term debt	58,282,720	58,623,246	–	–	–	58,623,246
Finance lease obligation	44,019,976	6,531,617	6,531,617	19,594,851	61,728,377	94,386,462
Interest rate swap liability	7,319,250	–	–	–	7,319,250	7,319,250
	$ 180,105,750	$ 135,638,667	$ 6,531,617	$ 19,594,851	$ 69,047,627	$ 230,812,762

2012		Contractual cash flows			
Financial Liabilities	Carrying Amount	0 - 12 months	1 - 2 years	3 - 5 years	More than 5 years	Total
Due to SLGA	$ 60,277,788	$ 60,277,788	$ –	$ –	$ –	$ 60,277,788
Accounts payable and accrued liabilities	18,166,200	18,166,200	–	–	–	18,166,200
Long term debt	63,283,923	9,242,465	62,625,731	15,104,794	–	86,972,990
Finance lease obligation	45,063,029	6,531,617	6,531,617	19,594,851	68,259,995	100,918,080
Interest rate swap liability	7,636,994	–	–	–	7,636,994	7,636,994
	$ 194,427,934	$ 94,218,070	$ 69,157,348	$ 34,699,645	$ 75,896,989	$ 273,972,052

Management believes its ability to generate funds will be adequate to support these financial liabilities.

CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

	Classification	Fair value level	March 31, 2013	March 31, 2012
Cash and cash equivalents	L&R	N/A	$ 62,768,500	$ 67,924,259
Short term investments	L&R	N/A	252,500	252,500
Accounts receivable	L&R	N/A	4,944,394	6,268,523
Due to SLGA	OL	N/A	54,860,290	60,277,788
Accounts payable and accrued liabilities	OL	N/A	15,623,514	18,166,200
Long term debt	OL	N/A	58,282,720	63,283,923
Interest rate swap liability	FVTPL	2	7,319,250	7,636,994

FVTPL Fair value through profit and loss, L&R – Loans and receivables, OL – Other liabilities.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives are carried at their fair value. Derivative instrument fair value is calculated using pricing models that incorporate current market prices and the contractual prices of the underlying instruments, the time value of money and yield curves.

The fair value of long-term debt, which is classified as other financial liabilities, is addressed in Note 11.

21. RELATED PARTY TRANSACTIONS

Significant related parties to SIGA include the FSIN, holder of the Class A membership in SIGA, and entities related to the FSIN (including Saskatchewan Indian Institute of Technologies, First Nations University of Canada, Indigenous Gaming Regulators Inc., Saskatchewan Indian Cultural Centre, and Saskatchewan Indian Equity Foundation). Related parties also include the Tribal Councils of Saskatchewan (and their related entities) that hold Class B memberships in SIGA. All transactions with related parties were made in the normal course of business and have been recorded at exchange amounts agreed upon between the parties.

The following are balances outstanding with related parties:

Amounts owed by related parties	March 31, 2013	March 31, 2012
	$ 26,253	$ 7,010

Amounts owed to related parties	March 31, 2013	March 31, 2012
	$ 1,100	$ 1,350

Significant transactions with related parties throughout the year are as follows:

Purchases of goods and services	March 31, 2013	March 31, 2012
Finance lease payments (principal and interest)	$ 7,486,241	$ 6,521,522
Building rent and occupancy	8,022,074	9,843,632
Sponsorship	230,406	333,735
Other	1,356,400	2,750
Indigenous Gaming Regulators Inc.	3,312,398	3,257,728

KEY MANAGEMENT PERSONNEL COMPENSATION

In addition to salaries, SIGA provides non-cash benefits to key management personnel, defined as the President, Vice-Presidents and Board members of SIGA. Key management personnel compensation is comprised of:

	March 31, 2013	March 31, 2012
Employee compensation and benefits	$ 1,906,627	$ 2,313,319
Post-employment benefits	68,155	91,405
	$ 1,974,782	$ 2,404,724

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and the notes thereto.

22. SEGMENTED INFORMATION

SIGA operates in three segments – table operations, slot operations and ancillary operations. The following table shows key amounts by segment.

	Slot Operations	Table Operations	Ancillary Operations	Elimination of Intercompany Transactions	Total 2013	Total 2012
Revenues	$ 241,513,502	$ 10,026,842	$ 21,582,906	$ (4,556,183)	$ 268,567,067	$ 267,222,998
Expenses	142,019,398	13,048,222	31,599,035	(4,556,183)	182,110,472	185,581,697
Profit (loss) before the following:	$ 99,494,104	$ (3,021,380)	$ (10,016,129)	$ –	$ 86,456,595	$ 81,641,301
Unrealized gain (loss) on interest rate swaps (Note 11)					317,744	(2,489,098)
Total net income and comprehensive income for the year before distribution to Saskatchewan Liquor and Gaming Authority (Note 1 & 9)					$ 86,774,339	$ 79,152,203

The accounting policies of the reportable segments are the same as SIGA's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of unrealized gain (loss) on interest rate swaps and distribution to Saskatchewan Liquor and Gaming Authority. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

23. COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

SIGA has obligations under operating leases for buildings, equipment and vehicles. The minimum lease payments required under these operating leases are as follows:

	March 31, 2013	March 31, 2012
Less than one year	$ 5,512,525	$ 5,417,852
Between one and five years	17,883,425	15,999,296
More than five years	3,851,072	4,692,995
	$ 27,246,822	$ 26,110,123

The above commitments include amounts committed to related parties of $21,960,672 for years 2014 through 2018 and $5,836,189 for the years beyond 2018.

During the year ended March 31, 2013, an amount of $11,202,330 (2012 – $11,326,293) was recognized as an expense in comprehensive income in respect of operating leases.

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

CAPITAL COMMITMENT – SLOT MACHINES

The Casino Operating Agreement requires SLGA to supply slot machines and the slot management system to SIGA for use in its casinos and for SIGA to reimburse to SLGA the cost of these machines over the estimated useful life of the equipment. Included in expenses is $8,969,259 (2012 – $12,574,280) for reimbursement of the purchase of slot machines and the slot machine management system. SIGA estimates total costs over the next five years, based on the machines currently in use, as follows:

2014	$ 3,614,113
2015	1,997,906
2016	1,488,886
2017	964,480
2018	336,857

LETTERS OF CREDIT

SIGA has two letters of credit with First Nations Bank of Canada, $52,500 payable to the City of Swift Current, and $200,000 payable to the City of Yorkton.

OTHER

The Casino Operating Agreement requires SIGA, upon receiving direction from SLGA, to pay to Indigenous Gaming Regulators Inc. ("IGR") the amount of IGR's annual operating budget. SLGA has directed SIGA to pay IGR $2,900,000 for 2013-2014 (2012-2013 – $3,232,178).

SIGA entered into an agreement with Saskatoon Prairieland Park Corporation ("SPPC") regarding the maintenance of a certain level of income when SPPC closed its casino. Under this agreement, SIGA agreed to pay SPPC $216,667 monthly, subject to certain conditions, effective August 10, 2007 and continuing for 30 years.

CONTINGENCIES

SIGA enters into contractual arrangements with suppliers of services, products and facilities in the normal course of business. Contracts are subject to legal interpretation from time to time and disputes do arise. Management plans to account for such dispute resolutions in the year such disputes are settled, as they cannot be reasonably estimated prior to this time.

In addition, various other claims and lawsuits are pending against SIGA in the ordinary course of business. While it is not possible to determine the ultimate outcome of such actions at this time, and there exist inherent uncertainties in predicting such outcomes, it is SIGA's belief that the ultimate resolution of such actions is not reasonably likely to have a material adverse effect on its financial position or results of operations.

Federation of Saskatchewan Indian Nations & Chiefs in Assembly

SIGA Board

BOARD SECRETARY – RUBY WILLIAMS

GOVERNANCE | STRATEGIC AFFAIRS | AUDIT & FINANCE

PRESIDENT/CEO
ZANE HANSEN

CORPORATE SOLICITOR
BONNIE MISSENS

VP CORPORATE AFFAIRS
PATRICIA COOK

SENIOR VP FINANCE
AND ADMINISTRATION
TIM PROSSER

VP HUMAN
RESOURCES
SHAUNA BEAR

SENIOR VP OPERATIONS
VERN ACOOSE

VP MARKETING
VANCE MCNAB

GM BEAR CLAW CASINO
& HOTEL
EDWARD LITTLECHIEF
(White Bear First Nation)

GM DAKOTA DUNES CASINO
GARY DANIELS
(Whitecap Dakota First Nation)

GM GOLD EAGLE CASINO
KELLY ATCHEYNUM
North Battleford
(Mosquito First Nation)

GM LIVING SKY CASINO
LIONEL TOOTOOSIS
Swift Current
(Nekaneet First Nation)

GM NORTHERN LIGHTS CASINO
RICHARD AHENAKEW
Prince Albert
(Peter Ballantyne Cree Nation)

GM PAINTED HAND CASINO
JONATHAN PASAP
Yorkton
(Kahkewistahaw First Nation)

Board of Directors

Board Chair, Tribal Chief Felix Thomas joined the SIGA Board of Directors in 2008. He was elected Tribal Chief of the Saskatoon Tribal Council in October 2008 and has sat on a variety of boards including IGC, IGR and HSDC. Tribal Chief Thomas has also participated on the committee on Health for the Assembly of First Nations. Previously, as Chief of Kinistin First Nation, Felix participated on the Chief's Committee for the Assembly of First Nations. Tribal Chief Thomas holds a Bachelor of Arts degree.

Chief Edward Henderson of the Montreal Lake Cree Nation joined the Board in December 2005. He is past Chair of Little Red Reserve School Authority and Woodland Cree Board and currently serves on the boards of PAGC Education, Forestry, Women's Commission, Sports Culture and Recreation, Saskatchewan Indian Equity Foundation, First Nations University of Canada and the Saskatchewan Indian Education & Training Commission.

Chief Reginald Bellerose (2008) joined the Saskatchewan Indian Gaming Authority Board of Directors. He was re-elected in April of 2011 to his fourth term as Chief of Muskowekan First Nation. Chief Bellerose has a Bachelor of Arts degree from Concordia University College in Edmonton and has completed a Masters program in Project Management at the University of Saskatchewan.

Kevin Poock from the Battleford Tribal Council Management Corp. was appointed to the Board in February 2012 by the Battlefords Tribal Council. Kevin is a Chartered Financial Planner who has 25 years experience in the financial services industry. He was instrumental in the financing and opening of the first four casinos operated by SIGA. In 1998 he joined Battlefords Tribal Council to assist their Economic Development Division. He currently is part of a group that manages several diversified businesses, holding companies and analyzes new opportunities for First Nations.

Chief Brian Standingready of White Bear First Nation was first appointed to the Board in 2003, holding the position of Chair until January 2007. In 2008, Chief Standingready rejoined the Board. He has held a variety of positions including Chief, council member, and band manager at the White Bear First Nation. He has also served as the district representative for the Yorkton Tribal Council and has sat on numerous boards, committees and commissions. Chief Standingready was re-elected in 2011.

Amanda Louison was appointed to the SIGA Board in March, 2012 and is a member of the Kahkewistahaw First Nation representing the Yorkton Tribal Council. This is the third time she has served on SIGA's Board. Amanda holds a diploma in Associate Administration from the University of Regina. She was elected the first female Chief for Kahkewistahaw First Nation in 1995, and served on her Band Council for five terms. In 2003- 2004 she was appointed Tribal Chief by acclamation. She is currently working as a consultant with experience in specific claims negotiations and elections.

Bob Gerow was appointed to the SIGA Board of Directors by the Agency Chiefs Tribal Council (ACTC) in 2008. Bob, a member of the Victoire Métis Local, has worked in First Nations Education and Administration for the past 37 years. He is V.P. of Askiy Forest Management and he is currently the Executive Director with the Agency Chiefs Tribal Council. Bob holds a B.A., B. ED, P.G.D. and Master of Education (M.Ed).

Chief Larry Ahenakew, B.A, Chief of the Ahtahkakoop Cree Nation, was appointed to the SIGA Board of Directors on May 10, 2010. Chief Ahenakew was born and raised on the Ahtahkakoop Cree Nation. He represents the Battlefords Agency Tribal Chiefs (BATC) where he was appointed Tribal Chief in April 2010. Chief Ahenakew graduated from the University of Saskatchewan, obtaining a Native Studies Degree with a Minor in Sociology, Political Studies and Commerce. Chief Ahenakew was formerly a Band Councillor on his reserve which he held for eleven years before he decided to take on the more hectic, responsible role of Chief. Chief Ahenakew was re-elected as Chief by his people in July, 2011.

Chief Richard Ben joined the SIGA Board in October 2009. Prior to being elected as Chief of Makwa Sahgaiehcan First Nation, he has served one term as a Band Councillor. Chief Ben's experience includes terms with the FSIN Education and Justice Commissions, as well as a number of boards with the Meadow Lake Tribal Council. Chief Ben's background also includes three years in the army reserve, four years as a Recreation Director on his home reserve, as well as an education in Police Sciences, and Information Technology.

Dr. Ron Martin of the Fond-du-Lac First Nation was appointed to the SIGA Board on October 2012. Dr. Martin has achieved the Native Law Program, Bachelor of Arts Advanced Degree in Sociology, Bachelor of Science Advanced Degree in Anatomy and a Doctor of Medical Dentistry Degree; he was also actively involved in many extracurricular activities. He owns and operates a busy and expanding dental practice (Dene Dent Family Dentistry) on Treaty 4 territory near Fort Qu'Appelle.

Chief Delbert Wapass is a fluent speaker of the Cree language, from Thunderchild First Nation. Chief Wapass holds a Bachelor Degree in Native Studies from the University of Regina, and a Master of Education (M.Ed) from the University of Saskatchewan. Chief Wapass has previously served with the Federation of Saskatchewan Indian Nations as both the Second and Third Vice Chief, with portfolio experience in economic development, education and health. A very traditional and cultural person, Chief Wapass was raised by his grandparents on the Thunderchild First Nation.

Carole Bryant rejoined the SIGA Board in January 2010. Carole is currently VP of Administration and Quality Improvement with the Ranch Ehrlo Society. She has had a diverse career experience in social work, community development, HR, corporate services, board governance and communication. Carole is the president of the Saskatchewan Association of Social Workers (SASW) and is a director of the Regina Rotary Club. Carole has a master's degree in social work. She completed her MBA from Queen's University in Kingston and has her CMA designation.

Chief Marie Ann Daywalker-Pelletier was appointed from the File Hills Qu'Appelle Tribal Council in early January 2013 to the SIGA Board of Directors. Currently she is the Chief of Okanese First Nation, and has filled the position since March 1981 – serving a total of 32 consecutive years to date. Chief Daywalker-Pelletier both past and present sits on many boards and commissions, for example she is currently the Chair of the Saskatchewan Indian Women's Commission, Chair of the TFHQ Safe Shelters and a commission member of the Health and Social Development Commission to name a few.

Senator Roland Crowe of the Piapot First Nation joined the SIGA Board in an advisory capacity in 2009. Senator Crowe began a career in public life in the 1960's, serving two years as Councillor and six years as Chief of his home community. In the 1980's, he committed himself to work in the interests of all Saskatchewan First Nations, serving fours years as Vice Chief and two terms as Chief of the FSIN. One of his most notable achievements was negotiating the original gaming agreement with the province of Saskatchewan.

Corporate Governance

Authority

Under the First Nations Gaming Act, the Federation of Saskatchewan Indian Nations created the Saskatchewan Indian Gaming Authority (SIGA) on June 10, 1995. SIGA was then incorporated under The Non-Profit Corporation Act of Saskatchewan on January 11, 1996, and is designated as a charitable corporation. The FSIN owns the only issued Class A Membership. Class B Memberships are held by the Tribal Councils and independent First Nations.

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY

The Province of Saskatchewan, through the Saskatchewan Liquor and Gaming Authority (SLGA), regulates SIGA. This authority is responsible for the approval of budgets, operating policies and procedures and expansion of services. Constant dialogue takes place between the management and employees of both organizations.

Our Structure

SIGA's gaming operations are a revenue source for the Saskatchewan's First Nations, the Provincial Treasury and for the Community Development Corporations (CDCs). The CDCs distribute this money to charitable and not-for-profit community organizations. Profits generated from SIGA's operations are administered by the Province of Saskatchewan using the following breakdown: 50% to Saskatchewan First Nations, as distributed through the First Nations Trust; 25% to the CDC's; and 25% to the Provincial Government's General Revenue Fund.

Role of the Board

The Board of Directors is responsible for the stewardship of the organization and is ultimately accountable for the management of the affairs and business of SIGA. In meeting this responsibility, the Board works with management to develop and approve the organization's strategic plan and annual budgets, and ensures that a communication policy is in place. It has established terms of reference addressing its principal duties and responsibilities as a Board.

While focusing on the strategic direction of the organization, the Board delegates day-to-day operations to the President and CEO. The Board has resolved to adopt a policy governance model that empowers the President and CEO and holds him accountable for achieving the Board's directives, managing risks, and complying with the Casino Operating Agreement and Board policies. In addition, the organization has a comprehensive Delegation of Authority Policy that governs the approvals and spending authorities for all managers consistent with their responsibilities, accountabilities and budgetary allocations, and specifies those matters that require Board approval: items specific to capital expenses (including renovation projects) planned over $1,000,000; and unplanned $500,000, any property management, land and building leases, and all other operating expenses and contracts over $500,000.

All of its Directors are independent of management and no member of management serves as a Director. The Board held eight meetings in the 2012/13 fiscal year.

Board Chair– Tribal Chief Felix Thomas

The Chair provides leadership by guiding the Board, coordinating its activities and fostering relationships in the best interests of the organization. The Chair, while working closely with the President and CEO, retains an independent perspective to best represent the interests of SIGA, the Board, and the communities they serve. The Chair, on behalf of the Board, reports to the FSIN Gaming Commission and the FSIN Legislative Assembly on the affairs of the corporation, including all business aspects of casinos owned and operated by SIGA. The Chair, in turn, reports to the Board of Directors any recommendations offered by the Gaming Commission and the Assembly. The Board has delegated authority and assigned responsibility to the Board Chair for managing SIGA's relationship with the shareholders as per policy B03-012 Board Chair – Terms of Reference.

Directors

The Board of Directors was comprised of 12 Members for the majority of the year. The Federation of Saskatchewan Indian Nations and the Tribal Councils nominate these Members (one per Tribal Council). Only individuals registered as gaming employees under The Alcohol and Gaming Regulation Act 1997 may be Members of the Board.

As per the Casino Operating Agreement, SIGA, having met the requirements of sustained progress, a change in the structure and composition of the SIGA Board took place on January 30, 2008. The new Board structure is comprised of no more than 13 Directors and will have a Senate appointment as per the FSIN Legislative Assembly Senate Act. The 2012/13 Directors are as follows:

- Tribal Chief Felix Thomas
- Chief Edward Henderson
- Chief Reginald Bellerose
- Chief Brian Standingready
- Robert Gerow
- Chief Richard Ben
- Carol Bryant
- Chief Larry Ahenakew
- Chief Delbert Wapass
- Amanda Louison
- Kevin Poock
- Ron Martin – joined the Board October 17, 2012
- Chief Mary Anne Daywalker-Pelletier – joined the board March 4, 2013
- Chief Perry Bellegarde – left the Board October 2012

The Board also has an Advisor:

- Senate Advisor, Roland Crowe

Committee Structure

The Board may appoint any committees that it considers necessary for the efficient conduct of the affairs and business of SIGA and may prescribe the duties of any committee it appoints. It is important to note that assignment of responsibility by the Board to a committee does not absolve the full Board from responsibility for a committee's work or decisions. The Chair is ex-officio on all committees and may attend any meeting as deemed appropriate. All committees have established terms of reference governing their conduct and mandate.

The Board has three (3) committees with established terms of reference governing their code and mandate. These three committees are as follows: Audit and Finance, Governance (includes, Human Resource, Compensation & Ethics and Governance mandates) and Strategic Affairs.

Audit and Finance Committee – Carole Bryant, Chair

The Audit and Finance Committee monitors the financial performance and internal controls of SIGA, assesses risk management strategies, and acts as a liaison between the internal and external auditors and the Board. This committee is responsible for the internal audit function and has retained an independent internal auditor is accountable to the Board through the Audit and Finance Committee and has unimpeded access to corporate information and reports. SIGA 's internal auditor is Price Waterhouse Coopers (PWC). The fee for the internal audit function for the fiscal year is $666,623.98. The committee monitors internal controls over the financial reporting process, auditing matters and financial reporting issues. The SIGA audit is completed by the audit firm Deloitte and Touche. In addition to the statutory audit requirements, Deloitte and Touche submits management letters that contain internal control recommendations and identification of management and system control risks. Deloitte and Touche has examined the corporation's financial statements and issued an auditor's report included in this annual report. The fee for the audit for the fiscal year is $249,910.70. Deloitte & Touche did not provide any non-audit services this fiscal year. The committee met six times in the 2012/13 fiscal year.

Strategic Affairs Committee – Perry Bellegarde, Chair and Brian Standingready, Chair

The Strategic Affairs Committee is mandated to ensure that there are sufficient processes in place to develop, maintain and monitor the strategic plan, provide direction on shareholder and stakeholder relations and review and provide direction on new business opportunities. The Strategic Affairs Committee is also responsible for reviewing, assessing and monitoring strategic level risk in SIGA's risk management plan and ensuring the appropriate risk mitigation strategies are in place. Further, the Committee will review and provide recommendations on the Casino Operating Agreement and the Framework Agreement. The committee met four times in 2012/13 fiscal year.

Governance Committee – Reginald Bellerose, Chair

The Governance Committee is responsible for overseeing the Authority's governance processes and the quality of its corporate governance and reporting to the Board concerning same, and assists the Board in delivering exemplary governance and human resource practices. Ensuring that SIGA's overall compensation structure provides appropriate incentives to employees at all levels. Ensure that SIGA is observing the highest standards of ethical business conduct. The Governance Committee monitors the functioning of the Board and committees of the Board, and recommends governance issues to be discussed by the Board and committees of the Board. It is also responsible for ensuring timely and complete information and decision-making at the Board and committee levels. The Governance Committee is responsible to ensure annual review of the terms of reference of the Board and its committees. The committee coordinates the bi-annual evaluations of the Board, the Board Chair, committees and the Director's self-assessments. The evaluation of the Board / Committees was completed in early 2013. The Governance Committee also oversees the annual evaluation of the CEO which will be completed in July 2013. The Board engaged with Dr. Bob Kayseas, an independent third party consultant, to conduct the evaluation of the President and CEO and the Board / Committees. This committee met five times in the 2012/13 fiscal year.

Governance Practices

The SIGA Board has formally adopted a governance model with generally-accepted governance practices, and a suite of corporate governance policies. These policies ensure continuity of good governance practices and provide ongoing direction for the Board, its committees, and management. To ensure that SIGA continues to exemplify high standards of corporate governance, it has been mandated by the Board that the corporation's governance practices be monitored annually and an audit of all governance practices be conducted every three years with the most recent audit completed July 2012 by the audit firm of Price Waterhouse Coopers.

SIGA's current governance and disclosure practices are consistent with the guidelines advocated in the Ontario Securities Commission National Policy 58-201. SIGA's current disclosure practices are consistent with the guidelines set out in the Ontario Securities Commission National Policy 58-101.

The Board substantially complies with its corporate governance policies. Unlike a publicly held entity, SIGA is not required to comply with these policies. The corporation, however, has adopted an approach of benchmarking itself to these standards.

SIGA's alignment with the CSA Corporate Governance Guidelines is set out in the following scorecard:

	SIGA's Governance Practices	Does SIGA Align?
COMPOSITION OF THE BOARD		
NP 58-201, section 3.1		
The Board should have the majority of independent Directors.	The Directors on the SIGA Board are (13 out of 13) independent. *SIGA's Board composition is 13 Members with 13 of those Directors being confirmed as of this date.	Yes
NP 58-201, sections 1(a) and (d)		
1 (a) Disclose the identity of Directors who are independent; (b) Disclose the identity of Directors who are not independent and the basis for that determination; (c) Disclose whether the majority of Directors are independent; and (d) Disclose whether a Director is a Director of any other issuer that is a reporting issuer.	Felix Thomas, Chair: Independent – Tribal Chief, Saskatoon Tribal Council Edward Henderson, Director: Independent – Chief, Montreal Lake Cree Nation Reginald Bellerose, Director: Independent – Chief, Muskowekwan First Nation Brian Standingready, Director: Independent – Chief, White Bear First Nation Robert Gerow, Director: Independent – Executive Director, Agency Chiefs Tribal Council Richard Ben, Director: Independent – Chief, Makwa Sahgaiehcan First Nation Carole Bryant, Director: Independent – CFO, Ranch Erhlo Society Larry Ahenakew, Director: Independent – Chief, Ahtahkakoop First Nation Perry Bellegarde, Director: Independent – Chief, Little Black Bear First Nations Delbert Wapass, Director: Independent – Chief, Thunderchild First Nation Kevin Poock, Director: Independent – Chartered Financial Planner, Battlefords Tribal Council Ron Martin, Director: Independent – Dentist, FSIN Amanda Louison, Director: Independent Consultant – Yorkton Tribal Council Mary Anne Daywalker-Pelletier, Director: Independent – Chief This criterion is met by all current Board Members being external directors (i.e. not managers or employees of SIGA) and by having each Board member complete and sign code of conduct acknowledgement and conflict of interest disclosure forms. All Directors have completed COI forms on file. Section 1(d) does not apply to SIGA, as SIGA does not have share capital, and is not an issuer.	Yes
NP 58-201, section 3.2		
3.2 The Chair of the board should be an independent director who is the effective leader of the board, who ensures that the board's agenda will enable it to successfully carry out its duties.	The Chair of the Board is an independent Director who provides leadership in board organization, processes, effectiveness and renewal and serves as a liaison between the roles of the Board, shareholders and that of President and CEO.	Yes
NI 58 -101F1, section 1(f)		
1 (f) Disclose whether the chair of the board is an independent director; disclose the identity of the chair and describe the role of the chair.	Felix Thomas assumed the Chair responsibilities in June 2012 and is an independent director. The Chair reports to the Board and ultimately to the shareholders and is responsible for presiding over meetings of the Board and ensuring the Board discharges its fiduciary and legal responsibilities. The Board has developed a Terms of Reference for the Chair in policy B03-012 which can be obtained from SIGA upon request.	Yes

	SIGA's Governance Practices	Does SIGA Align?
MEETINGS OF INDEPENDENT DIRECTORS		
NI 58 -101FI, section 3.3		
3.3 The independent directors should hold regularly scheduled meetings at which non-independent directors and Members of management are not present.	This criterion is met by all current Board Members being external directors. The terms of reference for the Board/committee require that the Board/ committees meet regularly without management present. In-camera sessions are a standing agenda item.	Yes, SIGA substantially meets this requirement
1 (g) Disclose whether the independent directors hold regularly scheduled meetings at which Members of management are not present, disclose the number of such meetings held in the previous 12 months; if such meetings are not held, disclose what the board does to facilitate open and candid discussion among independent directors.	There were 8 Board meetings held in 2012/13 and during each regular meeting, in-camera sessions are a standing agenda item. Board practices that facilitate open and candid discussion allow for open and direct communication on issues that it may not be appropriate to discuss with representatives of management. The Board is satisfied that its governance practices foster full and open discussion and debate and that it retains the independence of mind to make decisions in the best interest of the corporation and the shareholder.	
NI 58 -101FI, sections 1(g)		
1 (g) Disclose the attendance record of each director for the board meetings held in the most recently completed financial year.	The Board held a minimum of 8 meetings in 2012/13.	Yes

Directors	Meetings Attended*	Total Meetings
Felix Thomas, Director	6	(8)
Edward Henderson, Director	6	(8)
Larry Ahenakew, Director	8	(8)
Reginald Bellerose, Director	8	(8)
Brian Standingready, Director	8	(8)
Robert Gerow, Director	6	(8)
Carole Bryant, Director	6	(8)
Richard Ben, Director	7	(8)
Perry Bellegarde, Director	6	(6)
Delbert Wapass, Director	4	(8)
Kevin Poock, Director	7	(8)
Ron Martin, Director	2	(5)
Amanda Louison, Director	7	(8)
Mary Anne Daywalker-Pelletier, Director started March 4, 2013 no meetings were held.	0	(0)

*For purposes of this report, Members who attended meetings in part were considered to be present. Figures in brackets represent the maximum number for the period in which the individual was a board member.

	SIGA's Governance Practices	Does SIGA Align?
BOARD MANDATE		
NP 58-201, section 3.4		
3.4 The board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the corporation and responsibility for; (a) to the extent possible, satisfying itself as to the integrity of the CEO and executive and that they have created a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving at least annually a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks; (d) succession planning, including appointing, training and monitoring senior management; (e) adopting a communications policy for the corporation; (f) the integrity of the corporation's internal control and management information systems; and (g) developing the corporation's approach to corporate governance, including a set of principles and guidelines specific to the corporation.	The Board has adopted a comprehensive written mandate board policy no. B03-001 that complies with the elements required in this policy. Specific policies B03-008 Board Member Responsibilities and B03-012 Board Chair Terms of Reference outline the primary duties and responsibilities of the Board, including the responsibility to function as stewards of the corporation. a) The corporation has a comprehensive Code of Conduct & Ethics policy in place for the Board and senior management. b) SIGA has a strategic plan in place for the Authority. This process allows SIGA management and the Board to utilize it to communicate to our stakeholders our direction and priorities. SIGA is using a highly regarded model of planning known as the Balanced Scorecard. This performance management tool helps us ensure that operational activities and initiatives are aligned with the objectives of the company in terms of vision and strategy. The Board approved the strategic measures and targets for the company in July 2012. The President reported on those me asures on a quarterly basis. The results are also reported on in this annual report. c) The corporation has established an integrated risk management function and the corporate "infrastructure" for the identification and management of the risks that could prevent SIGA from achieving its strategic goals and priorities. The Board delegates this responsibility to the Audit and Finance Committee. Refer to page 36 & 37 of this report. d) Annually the Board approves succession plans for the President and CEO and Senior Executive. e) The Board has a Communications policy with processes in place to ensure effective communications with shareholders, stakeholders and the public. The annual general meeting of the Members was held in September 2012. f) A principal duty of the Board is to identify principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and potential returns, and to oversee the implementation of appropriate systems to manage the risks. SIGA manages information risks through continual evaluation of the internal controls over financial reporting for new and existing systems. g) SIGA Board has formally adopted a governance model with generally accepted governance practices, and a suite of corporate governance policies. The Governance Committee is mandated to oversee corporation's governance practices. An audit of the corporation's governance practices is completed every three years and was completed by Price Waterhouse coopers in July 2012.	Yes
NP 58-201, section 2		
2. Disclose the Board's written mandate.	The Board's written mandate, Policy B03-001 can be obtained from the SIGA upon request.	Yes

	SIGA's Governance Practices	Does SIGA Align?
POSITION DESCRIPTIONS		
NP 58-201, section 3.5		
3.5 The Board should: develop clear position descriptions for the Chair of the Board and the Chair of each committee; together with the CEO, develop a position description for the CEO delineating management's responsibilities; develop or approve corporate goals and objectives that the CEO is responsible to meet.	The Board has adopted specific policies which outline the primary duties and responsibilities of the Board Chair, Committee Chairs and Board Members. The Board has adopted mandates for all standing committees, which outline their specific responsibilities. The Delegation of Authority Policy, applicable to monetary and non-monetary matters, sets out those matters that require Board approval and delegates other matters to management. The Board annually approves a strategic plan, which includes the Corporate objectives and goals (Balanced Scorecard targets) for the upcoming year. The CEO is ultimately responsible to the Board for meeting these goals and objectives. The Board assesses the CEO against these performance targets.	Yes
NI 58-101F1, sections 5(a) and (b)		
5 (a) Disclose whether the Board has developed written position descriptions for the Chair of the Board and the Chair of each Board committee and, if not, describe how the Board delineates the role and responsibilities of each such position. (b) Disclose whether the Board and CEO have developed a written position description for the CEO.	5 (a) The Board has policies in place that set out the roles and responsibilities for the Board Chair, Vice Chair and Committee Chairs. In addition to this the committees all have written mandates adopted by the Board that delineate the roles and responsibilities of that committee. (b) The Board has developed a comprehensive job description for the CEO	Yes
ORIENTATION AND CONTINUING EDUCATION		
NP 58-201, Sections 3.6 and 3.7		
3.6 The board should ensure new directors receive comprehensive orientation and fully understand the role of the board and committees, the contribution individual directors are expected to make and the nature and operation of the business. 3.7 The board should provide continuing education opportunities for all directors to enhance their skills and abilities and ensure their knowledge of the corporation's business is current.	3.6 The Governance Committee is responsible to ensure whether the proper orientation and continuing education training opportunities are made available to the Board. SIGA management has provided comprehensive orientation training for all the Directors about the business and the industry. SIGA also provides all Directors with a comprehensive binder that contains essential reference materials. 3.7 The corporation has made available to the directors the opportunity to participate in education programs such as: The Directors College - Chartered Directors Program, a comprehensive training program focusing on best governance practices. All the Directors have participated in an orientation program. A number of the Directors have participated in other governance or industry related conferences in 2012/13.	Yes

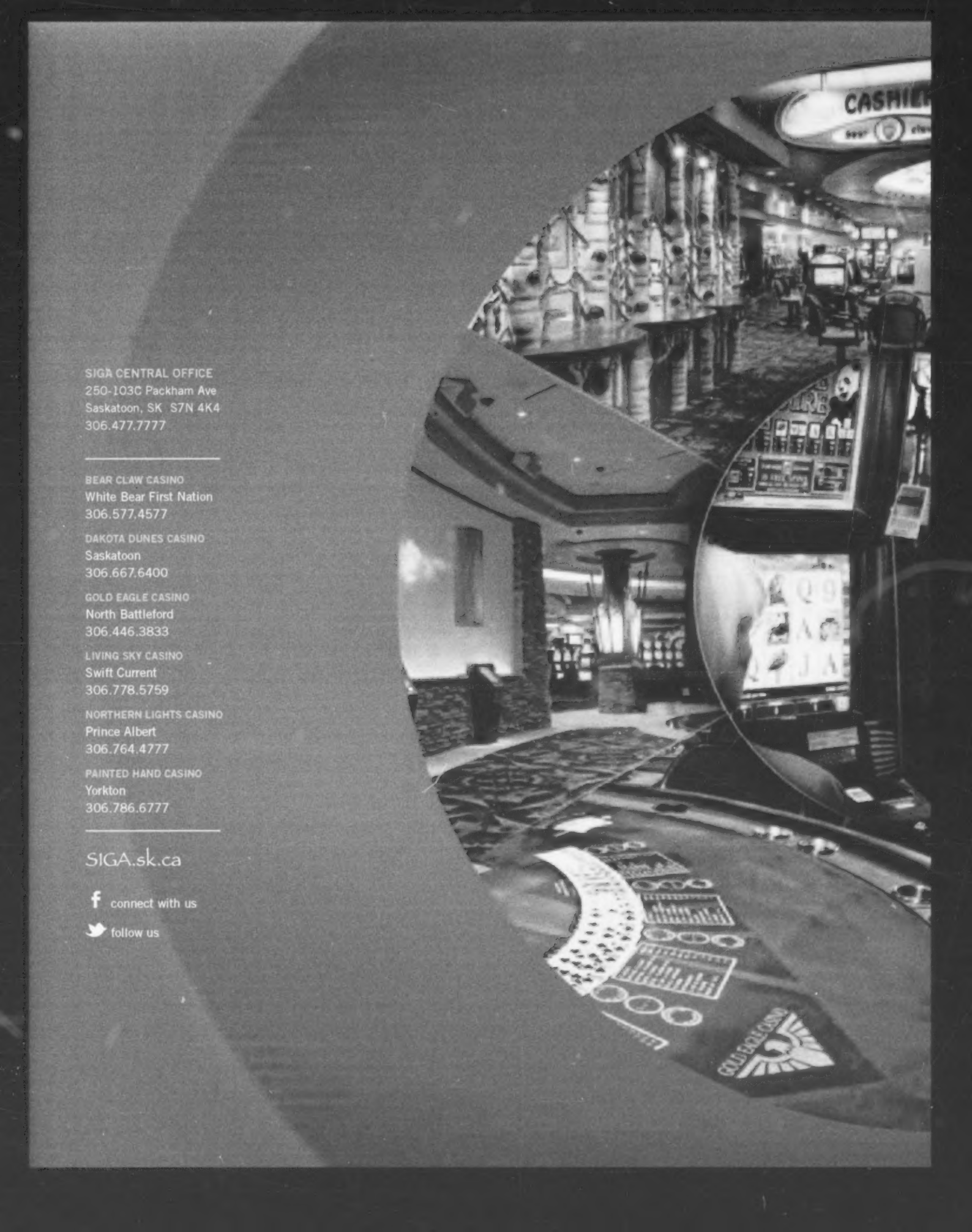
	SIGA's Governance Practices	Does SIGA Align?
CODE OF BUSINESS CONDUCT AND ETHICS		
NP 58-201, Section 3.8		
3.8 The Board should adopt a written code of business conduct and ethics applicable to Directors, officers and employees of the corporation designed to promote integrity and deter wrongdoing. The code should address: (a) conflicts of interest, including transactions and agreements where a Director or officer has a material interest; (b) protection and proper use of corporate assets and opportunities; (c) confidentiality of corporate information; (d) fair dealing with the corporation's security holders, customers, suppliers, competitors and employees; (e) compliance with laws, rules and regulations; and (f) reporting of illegal or unethical behaviour.	3.8 SIGA has developed a written Code of Conduct and Ethics Policy applicable to all Directors, a separate Code of Conduct and Ethics Policy that is applicable to Senior Management and a Code of Conduct and Ethics Policy applicable to the employees. The Directors Policy: establishes guidelines for conduct required of all Directors of the Saskatchewan Indian Gaming Authority. In addition, each Director must complete a Conflict of Interest Declaration form and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in the Board Secretary's office. Copies are to be provided to the Governance Committee. Conflict of Interest declarations are completed at every Board and Committee meeting. The President and CEO and Senior Management Policies require that management observe the highest standards of ethical conduct, consistent with the values of integrity, impartiality and discretion, both within and outside the workplace, and to promote a corporate culture in which ethical conduct is recognized, valued and exemplified by everyone. The President and CEO and all senior managers sign a declaration form upon commencement of employment with SIGA, and sign a Conflict of Interest and a Relationship Declaration form. The declaration forms shall be completed on an annual basis, or more often in the event a potential conflict of interest situation arises. The completed forms are forwarded to and retained on file in the Corporate Solicitor's office and are reviewed with the Governance Committee.	Yes
NI 58-101 F1, Sections 5(a)		
5 (a) Disclose whether the Board has adopted a written code of ethical business conduct for the Directors, officers and employees of the corporation, how to obtain a copy of the code; how the Board monitors compliance with the code; and reference any material change report in the most recent financial year relating to any conduct of a Director or officer that constitutes a departure from the code.	5 (a) A copy of the Directors, President and CEO Code of Conduct Policy can be obtained by contacting SIGA. The Board Chair and the Governance Committee monitor compliance with the code of conduct policy for the Directors and the President and CEO. The President and CEO monitors compliance with the code of conduct policy for senior management. The Audit and Finance Committee is responsible for: monitoring and reviewing the financial performance and internal controls of the Authority; monitoring, reviewing and ensuring the adequacy of the Authority's risk management policies and procedures; enhancing the credibility and objectivity of the Authority's financial reports; and acting as a communication link between the Board of Directors, the external and provincial auditors and the internal auditor. The mandate of the Audit and Finance Committee shall be tabled at the annual general meeting for review by the Members. The Governance Committee shall review the Authority's overall compensation programs and recommend compensation for the President and CEO and Senior Executive, and ensure that the overall compensation structure provides appropriate incentives to management and employees at all levels.	Yes

	SIGA's Governance Practices	Does SIGA Align?
NP 58-201, Section 3.9		
3.9 The Board should monitor compliance with the code and any waivers granted for the benefit of Directors and executive officers should be granted by the Board or committee. Any waivers for a material departure from the code for any Directors or officers should disclose full details of the material change.	3.9 The Governance Committee is responsible to receive and consider Directors and Managers COI and Relationship Declaration Forms. In 2012/13 there were no COI recommended for review.	Yes
NI 58-101FI, Section 5(b)		
5 (b) Describe steps the Board takes to ensure Directors exercise independent judgement in considering transactions and agreements where a Director or officer has a material interest 5 (c) Describe other steps the Board takes to encourage and promote a culture of ethical business conduct.	SIGA has a written code of conduct policy applicable to all Directors. The corporation has a Director's Conflict of Interest Policy meant to protect the Authority's interest by outlining guidelines for the Authority's Board which ensures that a conflict of interest does not exist or appear to exist. The corporation has a Disclosure of Wrongdoing Policy in place and, to further support that, the Board has implemented an employee hotline that is independently operated. The hotline provides a means for employees to report allegations of serious wrongdoing and identify situations where wrongdoing is or has occurred so it can be eliminated.	Yes
NOMINATION OF DIRECTORS		
NP 58-201, Section 3.10		
3.10 The Board should appoint a nominating committee composed of entirely independent Directors.	As identified in the by-laws of the corporation, the Board structure will be comprised of no more than 13 Directors. The Federation of Saskatchewan Indian Nations and the Tribal Councils appointing twelve of these directors (one per Tribal Council) with the SIGA Board appointing one independent director with financial expertise. All appointments are ratified by the Federation of Saskatchewan Indian Nations Legislative Assembly. The SIGA Board has undertaken the responsibility of developing a skills profile for its Board Members. It is distributed to all shareholders for their use as criteria to base their nomination/selection of directors.	N/A
COMPENSATION		
NP 58-201, Section 3.15		
3.15 The Board should appoint a compensation committee composed entirely of independent Directors.	The Board has appointed a Governance Committee of entirely independent directors who are responsible for compensation matters.	Yes
NP 58-201, Section 3.16		
3.16 The compensation committee should have a written charter establishing the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations (including any authority to delegate to individual Directors or subcommittees) and manner of reporting to the Board. In addition, the compensation committee should be given authority to engage and compensate outside advisors necessary to permit it to carry out its work.	The Governance Committee responsibilities include: • Annually review and monitor Senior Executive contracts, compensation and benefits program and recommend changes where appropriate. • Ensure there are ongoing executive development programs that help promising individuals within the organization develop the critical skills identified in the succession plan. • Annually review the administration of all management and staff benefit and compensation plans to ensure conformity with approved policies. • Review on a regular basis the mechanisms that management has in place for employee recruitment and to monitor the retention of employees with a process for monitoring risk. • Based on the CEO evaluation results, the Governance Committee reviews and makes recommendations to the Board regarding the CEO's compensation.	Yes

	SIGA's Governance Practices	Does SIGA Align?
NP 58-201, Section 3.17		
3.17 The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining the CEO's compensation level based on the evaluation; making recommendations to the Board respecting non-CEO officer and Director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation prior to public disclosure.	The Board evaluates the performance of the President and CEO annually. The Governance Committee oversees the evaluation of the President and CEO. The evaluation results are reported in writing to the Board. The President and CEO is evaluated based performance targets and measures laid out in the strategic plan, and for complying with management limitations policies prescribed by the board. The results of the CEO's performance are approved by the full Board. The President and CEO evaluation is scheduled to be completed in July 2013.	Yes
BOARD ASSESSMENTS		
NP 58-201, Section 3.18		
3.18 and each individual Director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider (a) in the case of the Board or a Board committee, its mandate or charter, and (b) in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.	The Board, Committees, and the Chairman evaluation occur on a two-year cycle. The evaluations were conducted by Dr. Bob Kayseas, an external consultant, and were completed in January 2013. The Board and its Committees review their Terms of Reference annually. The Board have developed skills matrix that will be utilized for future planning.	Yes
NI 58-101F1, Sections 7(a) and (b)		
7 (a) Describe the process by which the Board determines compensation for the Directors and officers of the corporation. (b) Disclose whether the Board has a compensation committee composed entirely of independent Directors and, if not, describe the steps the Board takes to ensure an objective process for determining such compensation.	7 (a) The corporation has developed a number of policies to assist in determining rates for Director compensation. Directors will be compensated for serving on SIGA's Board through a combination of retainer fees and per diems. Directors will be reimbursed for travel and business expenses in accordance with Corporate Policy No. B03-017 Travel and Business Expenses (Board Members). The monitoring of compensation for Directors is the responsibility of the Governance Committee, who reviews this on a bi-annual basis. The Board determines compensation by retaining the services of an external consultant to complete a market survey utilizing industry standards. (b) Board Members receive the following retainer fees on an annual basis to be paid in quarterly instalments: Board Chairperson $18,000; Committee Chair $12,000; Director $10,000; Board/Committee Chairperson meeting fee $700; Board/Committee Member meeting fee $600.	Yes
NI 58-101F1, Sections 7(c)		
(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the committee.	The Governance Committee serves as SIGA's compensation committee. This is a standing committee and serves as an advisory committee appointed by the Board. The committee's core responsibilities are identified above.	Yes

	SIGA's Governance Practices	Does SIGA Align?
NI 58-101F1, Sections 7(d)		
(d) If a compensation consultant has been retained, at any time during the corporation's most recently completed fiscal year, to assist in determining compensation for any of the corporation's Directors and officers, disclose the identity of the consultant and briefly summarize their mandate. If retained to perform any other work, state that fact and briefly describe the nature of the work.	The Board did not retain the services of a consultant in 2012/13.	Yes
OTHER BOARD COMMITTEES		
NI 58-101F1, Section 8		
8 If the Board has standing committees of the Board, other than audit, compensation and nominating committees, identify the committees and describe their function.	The SIGA Board has appointed the following standing committees to conduct the business of the corporation: Governance Committee, Audit & Finance Committee and the Strategic Affairs Committee. All committees have comprehensive mandates that meet the policy requirements. All committee mandates are available upon request from SIGA.	Yes

SIGA Casinos



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